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East Asia

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Daily Report
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FBIS-EAS-96-060 CONTENTS *27 March 1996*

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NORTHEAST ASIA

Japan

Tokyo, Washington Reach ‘Basic Agreement’ on Air Cargo Issues *[KYODO]* 1
Japan: Further on Breakthrough in Aviation Talks With U.S. *[KYODO]* 1
Tokyo Expected To Insist on Abolishing U.S. Semiconductor Accord *[YOMIURI SHIMBUN 26 Mar]* 2
Japan: Spokesman on Clinton Visit, Taiwan, PRC Issues *[Japanese Ministry of Foreign Affaris WWW]* 2
Japan: Ota Rejects Court Order To Sign Land Lease Documents *[KYODO]* 5
Japan: Kajiyama Asks Mondale for ‘Understanding’ on Okinawa Bases *[KYODO]* 5
Japan: Police Raid Office of Group Opposing Sobe Facility *[RYUKYU SHIMPO 27 Mar]* 6
Japan: Editorial Calls Ruling in Okinawa Base Trial Appropriate *[YOMIURI SHIMBUN 26 Mar]* 6
Japan: Regional Bank Grouping Tells Members To Write Off Loans *[KYODO]* 7
Japan: ‘Jusen’ Firm Halts Interest Payments to Farm Banking Firms *[KYODO]* 7
Tokyo Considering Taking Brazil's Auto Policy to WTO *[KYODO]* 7
Tokyo, European Union Welcome Auto Export Accord *[KYODO]* 8
Japan: MITI Notes EU-Bound Auto Exports Cut First Time in 3 Years *[KYODO]* 8
Japan: Farm Minister on Plan To Extend British Beef Ban *[KYODO]* 8
Tokyo, San Marino Expected To Establish Formal Diplomatic Ties *[KYODO]* 8
Japan: Government To Grant 8.54 Billion Soft Loan to Ghana *[KYODO]* 9
Tokyo Extends 47.58 Billion Yen Loan to Philippines *[KYODO]* 9
Japan: Investment in Mekong Area Expected To Increase *[KYODO]* 9
Japan: MITI Report Notes Positive Effect of Information Industry *[KYODO]* 9
Japan: LTCB Forecasts Capital Investment Growth for FY96 *[KYODO]* 10
Japan: Ruling Coalition Agrees To Revise Bank of Japan Law *[KYODO]* 10
Japan: Kubo on Possibly Not Using Tax Money for Credit Unions *[KYODO]* 10
Japan: Lower House Passes Stopgap Budget *[KYODO]* 11
Japan: Further on Lower House Passage of Stopgap Budget *[KYODO]* 11
Japan: Ministerial Meeting on Deregulation Slated for 27 Mar *[KYODO]* 11
Japan: Ministry Eases OTC Market Rules to Service Firms *[KYODO]* 12
Japan: Panel Postpones Decision on NTT Breakup *[KYODO]* 12
Japan: NTT Chief Rejects Talks With Posts Ministry on Split *[KYODO]* 12
Japan's MITI: Hollowing Out Could Cause Loss of 110,000 Jobs *[KYODO]* 13
Japan: Survey Shows Over Quarter of Manufacturers Reduce Workforce *[KYODO]* 13
Japan: Three Regions Designated Foreign Access Zones *[KYODO]* 13
Japan: Auto Industry Group Notes Drop in Exports *[KYODO]* 14
Japan: MITI Reports Decline in Crude Oil Imports *[KYODO]* 14
Japan: Panel Says Government Should Allow More Local Autonomy *[KYODO]* 14
Japan: Personnel White Paper Examines Civil Servant Reemployment *[KYODO]* 15
Japan: Sato Says Election To Shape Future Administrative Framework *[NIHON KEIZAI SHIMBUN 25 Mar]* 16
Japan: Tokyo Announces Disaster Response Policy *[KYODO]* 16

North Korea

DPRK Peace Proposal Supported by Foreign Political Figures *[KCNA]* 17
DPRK Daily Denounces ROK "Hoguk-96" Military Exercise *[Pyongyang Radio]* 17
DPRK: Military's Decision on Treatment of ROK Defectors Cited *[Pyongyang Radio]* 18
DPRK Dailies Criticize Kim Yong-sam for 'Slandering' North *[KCNA]* 19
DPRK: SKNDF Issues Slogans for Upcoming ROK Elections *[Pyongyang Radio]* 19
DPRK: Student Alliance Demands Release of Hanchongnyon Delegates *[KCNA]* 20
DPRK: Release of 'Pro-Reunification Patriots' Urged *[KCNA]* 20
DPRK Paper on Support for ROK Workers' 'Struggle' *[KCNA]* 21
DPRK: Cambodian Prime Minister on DPRK-Cambodia Ties *[KCNA]* 21
DPRK: French Delegation Arrives in Pyongyang *[KCNA]* 22
DPRK WPK Sends Greetings to 26 Mar Movement of Uruguay *[KCNA]* 22
DPRK Papers Mark Anniversary of Bangladesh Independence *[KCNA]* 22
DPRK Poll: Kim Chong-il Desired as Leader of Reunified Korea *[KCNA]* 22
DPRK: Chongnyon Committees Discuss Kim Chong-il Letter *[KCNA]* 23
DPRK: Reverence for Kim Il-song Throughout World Noted *[KCNA]* 23
DPRK: Different Sectors of Economy Fulfill Quarterly Plans *[KCNA]* 24
DPRK: 3 Aug Consumer Goods Production Movement Viewed *[KCNA]* 24
DPRK: Anniversary of General Publication Bureau Marked *[KCNA]* 24
DPRK Agricultural Workers Union Holds Meeting 24 Mar *[Pyongyang Radio]* 25
DPRK Daily: Revolutionary Outlook Urges Living for Tomorrow *[KCNA]* 25

South Korea

ROK, U.S. Agree To Promote Combined Defense Capability *[Seoul Radio]* 26
ROK: Kong on DPRK Missiles, U.S. Contributions to KEDO *[Seoul Radio]* 26
ROK: Kong Views DPRK Missile Control Talks With U.S. *[YONHAP]* 26
ROK Not To 'Meddle' in DPRK-U.S. Missile Negotiations *[MUNHWA ILBO 26 Mar]* 27
ROK: Kong Said To Agree to U.S. Easing of Sanctions on DPRK *[YONHAP]* 28
ROK Official: DPRK Said Executing Illegal Grain Dealers *[Seoul Radio]* 28
ROK: DPRK 'Stockpiling' Food for Kim's Power Succession *[Seoul Radio]* 28
ROK: Defecting Couple Describes DPRK Economic Conditions *[YONHAP]* 29
ROK: DPRK Decides To Allow Japanese Tourists in Apr *[YONHAP]* 30
ROK Plans To Ignore Japanese Coalition's EEZ 'Threat' *[THE KOREA HERALD 27 Mar]* 30
ROK: Memoirs of Military Academy Class Used in Chon Trial *[YONHAP]* 30
ROK: Prosecution Probe Into President's Aide 'Escalating' *[YONHAP]* 31
ROK: Prosecution Expands Probe of Kim's Aide to Girlfriend *[YONHAP]* 31
ROK: NKP Official Proposes 'Purification' of Chongwadae *[YONHAP]* 32
ROK: DP Committee Co-Chairmen Comment on 11 Apr Elections *[THE KOREA TIMES 26 Mar]* 32
ROK: Kim Tae-chung Comments on 11 Apr Elections *[THE KOREA TIMES 26 Mar]* 32
ROK: Official Campaign Period for Elections Begins *[THE KOREA TIMES 26 Mar]* 33
ROK: 1,294 Candidates Register for General Election *[YONHAP]* 34
ROK Editorial Discusses Effects of Interest Rate Reductions *[The Digital Chosun Ilbo WWW]* 34
ROK: Samsung, KEPCO, POSCO 'Driving Force' of Business Boom *[YONHAP]* 35

SOUTHEAST ASIA

Brunei, Malaysia & Singapore

Malaysia

Malaysia, Singapore Seize Drugs in Joint Operation *[BERITA HARIAN 12 Feb]* 36
Malaysian Police Arrest Drug Couriers Aboard Buses *[BERITA HARIAN 12 Feb]* 36

Malaysia Asks Big Company Help for Drug Rehab Program *[BERITA HARIAN 15 Feb]* 36

Cambodia

Cambodia: Vietnamese Activists Given U.S. Support *[PHNOM PENH POST 4 Apr]* 37
Cambodia: King Sihanouk Appeals for Unity *[Phnom Penh Radio]* 39
Cambodian People's Party Clarification on AFP Report *[Phnom Penh Radio]* 39
Cambodia: CPP Issues Memorandum on Power Sharing *[Phnom Penh Radio]* 40
Cambodia: Chea Sim Affirmation on FUNCINPEC-CPP Axis Praised *[Phnom Penh Radio]* .. 41
Cambodia: Khmer Rouge Release 25 Deminers; Briton Still Held *[AFP]* 41

Indonesia

Indonesia: Alatas Calls EU's Move 'Interference' *[Jakarta Radio]* 42
Indonesia: Diplomatic Ties Established With Andorra *[Jakarta Radio]* 42
Indonesia: Minister on Media's Influence, Antiestablishment Groups *[SUARA PEMBARUAN 26 Mar]* 43
Indonesia: Official Urges Serious Attention to Drug Trafficking *[Jakarta TV]* 43

Laos

Laos: Thai Envoy Says Party Changes Not To Affect Economic Ties *[BANGKOK POST 22 Mar]* 43
Laos: Political Report to Sixth Party Congress *[Vientiane Radio]* 44
Laos: Changes in Government, Policy Reviewed *[THE NATION 26 Mar]* 65
Laos: Report Reviews New Line-Up of Politburo After Congress *[BANGKOK POST 26 Mar]* 67

Thailand

Thailand: Joint Venture With Laos for Satellite Contract *[BANGKOK POST 27 Mar]* 68
Thailand: Report Views Telecom Status at WTO *[THE NATION 25 Mar]* 68
Thai Finance Minister: IMF Delegates 'Impressed' With Policy *[THE NATION 27 Mar]* 70
Thailand: 'Personal Significance' of Banhan's China Trip Noted *[THE SUNDAY POST 24 Mar]* 71
Thai Foreign Minister Comments on Prime Minister's PRC Visit *[Bangkok Radio]* 71
Thai Editorial Reviews 'Big Brother' Relations With Beijing *[THAILAND TIMES 27 Mar]* ... 72
Thai Official Discusses First Quarter Rice Exports *[SIAM RAT 27 Mar]* 73
Thailand: Bank Report Details Border Trade With Laos *[THE NATION 26 Mar]* 73
Thailand: Cause of Unsettled Political Situation in Burma Noted *[THE NATION 25 Mar]* 74
Thailand: Document Explains Need for Military Satellite *[MATICHON 21 Mar]* 75
Thailand: Ban on British Beef, Dairy Goods Detailed *[BANGKOK POST 26 Mar]* 77
Thailand: Banhan, Polish Counterpart Vow To Boost Economic Ties *[BANGKOK POST 22 Mar]* 78
Thailand: Agreements Reached With Egypt During Minister's Visit *[BANGKOK POST 23 Mar]* 78
Thailand: Royal Appointment of Senators Announced *[Bangkok TV]* 79
Thailand: Banhan Critics Silenced by New Senate List *[BANGKOK POST 23 Mar]* 82
Thai Editorial Commends Banhan Over Appointment of Senators *[THE SUNDAY NATION 24 Mar]* 83
Thai Editorials View Government's Appointment of New Senators *[SIAM RAT 25 Mar, etc.]* 84
Thai Supreme Commander Comments on Senate Seat Allocation *[THE NATION 26 Mar]* 85
Thai Defense Ministry Details Need for Military Satellite *[THE NATION 22 Mar]* 85
Thai Defense Ministry Satellite Unlikely To Go Before Cabinet *[BANGKOK POST 23 Mar]* . 86
Thai Foreign Minister Vows To Quit After House Debate *[THE NATION 26 Mar]* 88
Thailand: Progress of Submarine Acquisition Plan Reported *[MATICHON 25 Mar]* 88
Thailand: Plans to Purchase Armored Vehicles, Submarines Noted *[MATICHON 26 Mar]* 88
Thailand: Implications of Military Early Retirement Policy Viewed *[ATHIT 22-28 Mar]* 89

Thai Editorial Criticizes Slow Progress of Money Laundering Bill *[MATICHON 27 Mar]* 90

AUSTRALASIA

New Zealand

New Zealand: Farm Leader Urges Banning British Beef Embryos *[THE PRESS 22 Mar]* 91
New Zealand: Malaysia's Mahathir on Immigration Policy, Taiwan *[Kuala Lumpur International]* 91

Japan

Tokyo, Washington Reach 'Basic Agreement' on Air Cargo Issues

OW2703102996 Tokyo KYODO in English 1011 GMT 27 Mar 96

[FBIS Transcribed Text] Tokyo, March 27 KYODO — Japan and the United States reached a basic agreement Wednesday [27 March] in their bilateral air cargo talks to increase sharply the number of flights to the United States by Japan Airlines (JAL) and Nippon Cargo Airlines (NCA), government officials said.

They also agreed that U.S. cargo carrier United Parcel Service will be allowed to provide flights to Asia via Kansai International Airport, the officials said.

The two sides, however, remain at odds over the most controversial issue of "beyond rights" to fly to third countries after stopovers unconditionally and without limits, they said.

The two countries have therefore decided to extend their three-day talks for another day to try to finalize the agreement on Thursday, they said.

They are scheduled to sign the agreement in Washington early in April, they added.

Japan: Further on Breakthrough in Aviation Talks With U.S.

OW2703140696 Tokyo KYODO in English 1343 GMT 27 Mar 96

[FBIS Transcribed Text] Tokyo, March 27 KYODO — Japan and the United States broke a prolonged impasse over the cargo portion of a bilateral aviation treaty Wednesday [27 March] in a last-ditch attempt to resolve the dispute by the March 31 deadline they had set, Japanese officials said.

The two sides reached a broad agreement on the issue in talks which began here Monday — the fifth round in the current series of air cargo negotiations that started in September.

Under the accord, Japan Airlines (JAL) will acquire basically free access to U.S. airspace, while Nippon Cargo Airlines (NCA) will be allowed to boost the number of weekly flights to the U.S. from the current 12 to around 40, according to the officials.

The newly acquired flights will effectively redress the balance of Japanese and U.S. aviation interests, which Japan has complained of as being tilted too much toward the U.S. under the 1952 bilateral aviation treaty, they said.

Japanese and U.S. negotiators will meet again Thursday to finalize details of the agreement. They will then formalize a memorandum of understanding to be signed in Washington early next month, the officials said.

The move will represent a major development in Japan-U.S. relations because the U.S. has argued that the air cargo dispute is one of four priority trade issues in which progress should be made before President Bill Clinton's state visit to Japan in mid-April.

The two countries, however, postponed resolving the core of the dispute — the gap in their interpretations of so-called "beyond rights" under the bilateral treaty. They agreed to stick to their own positions on the matter, the officials said.

The U.S. argues that U.S. airlines have a vested interest in the rights, which allow carriers to fly to third countries after stopovers, and they should be allowed to exercise them unconditionally and without limits.

Japan, on the other hand, insists that the use of the rights should be restricted for the sake of the order of aviation services.

The row is expected to be rekindled when the two nations enter talks for passenger aviation that will follow the cargo-sector talks.

The agreement will remove restrictions on the number of JAL's trans-Pacific cargo flights, while liberalizing its triangular services linking three U.S. cities and its flights to third destinations under the rights.

The flag carrier will also gain three new access points in the U.S. It currently has access to five U.S. cities.

As a result, JAL will acquire equal status with its two U.S. cargo carrier counterparts, Federal Express and Northwest Airlines. The three carriers have enjoyed privileges under the bilateral pact, but JAL's rights were more limited.

NCA will also win three new access points in the U.S.

On the U.S. side, Federal Express and Northwest Airlines will be awarded with three new access points in Japan.

United Parcel Service of the U.S. will be allowed 12 weekly flights to Kansai International Airport. The flights will come with beyond rights.

The Japanese Transport Ministry welcomed the outcome of the air cargo negotiations.

Jiro Hanyu, deputy director general of the ministry's Civil Aviation Bureau, said that given discrepancies in the numbers and capacities of Japanese and U.S.

carriers, it is possible to say Japanese and U.S. interests have been equalized. Friction in the cargo sector will be reduced, he added.

Tokyo Expected To Insist on Abolishing U.S. Semiconductor Accord

OW2703010596 Tokyo YOMIURI SHIMBUN in Japanese 26 Mar 96 Morning Edition p 7

[FBIS Translated Text] A government source disclosed on 25 March that the United States has agreed to withdraw its demand for setting a numerical target and has instead proposed that a new 10-year agreement should be signed to replace the Japan-U.S. Semiconductor Agreement that will expire on 31 July. Standing firm on its stance that the agreement itself is no longer necessary, Japan has a counter-proposal to strengthen cooperation among private enterprises. With U.S. President Bill Clinton's visit to Japan approaching in April, it seems more likely that the bargaining between Japan and the United States will become fully developed.

When the first semiconductor agreement was signed in 1986, a document to the following effect was attached: "The Japanese Government understands that sales of the foreign-made semiconductors in Japan are expected to reach a little over 20 percent of the market share in five years." The United States has interpreted the 20-percent share as Japan's commitment, and the argument for "the numerical target" has been allowed to take its own way.

Moreover, the market share of the foreign-made semiconductors exceeded 30 percent in the fourth quarter (from October to December) last year, registering the highest record in the past. Therefore, the Ministry of International Trade and Industry [MITI] takes the following stance: "As the agreement has accomplished its historical role, the Japan-U.S. Semiconductor Agreement should be abolished on its expiration in July."

Taking Japan's strong stance into consideration, the United States has made a proposal that instead of clearly stating the share that may be taken as a numerical target, the term for the agreement should be extended to 10 years, twice that of the current term. It is noted that what underlies this proposal is the fact that with the U.S. presidential election approaching this fall, the United States intends to take the significance of the Japan-U.S. Semiconductor Agreement directly to the voters.

Japan: Spokesman on Clinton Visit, Taiwan, PRC Issues

OW2703112096 (Internet) Japanese Ministry of Foreign Affaris WWW in English 26 Mar 96

[News conference by Japanese Ministry of Foreign Affairs spokesman Hiroshi Hashimoto with unidentified reporters on 26 March; place not given; from the "What's New" link]

[FBIS Transcribed Text] [Topics of Discussion]

I. Formal invitation to visit Japan issued to President William Clinton and Mrs. Hillary Rodham Clinton of the United States of America

II. Signing of the Protocol of the South Pacific Nuclear Free Zone Treaty

III. G-7 Jobs Conference to be held in Lille, France

IV. Perspectives of Japan on recent democratic elections in Taiwan

V. Japanese position regarding peaceful solutions to issues involving Taiwan

VI. Visit to Japan by Minister of Foreign Affairs Qian Qichen of the People's Republic of China

VII. Matters concerning the inauguration of President Lee Teng-hui of Taiwan

VIII.Matters related to realignment, consolidation, and downsizing of United States bases in Okinawa

IX. Matters concerning the visit to Japan by President Clinton of the United States

I. Formal invitation to visit Japan issued to President William Clinton and Mrs. Hillary Rodham Clinton of the United States of America

Foreign Ministry Spokesman Hiroshi Hashimoto: Good afternoon, ladies and gentlemen. This morning, the Japanese Government formally decided to invite President William Clinton of the United States of America and Mrs. Hillary Rodham Clinton to visit Japan as State Guests, from 16-18 April.

II. Signing of the Protocol of the South Pacific Nuclear Free Zone Treaty

Foreign Ministry Spokesman Hiroshi Hashimoto: Yesterday, on 25 March, the Republic of France, the United Kingdom, and the United States signed the Protocol of the South Pacific Nuclear Free Zone Treaty. Japan welcomes it, as it will substantially strengthen nuclear nonproliferation in the South Pacific region.

III. G-7 Jobs Conference to be held in Lille, France

Foreign Ministry Spokesman Hiroshi Hashimoto: As a follow up to the Halifax Summit, the G-7 Jobs Conference will be held in Lille, France between 1-2 April. Japan is of the view that all the G-7 countries have, more or less, a big problem with unemployment, and that they should share their feelings of suffering on this important problem, and find some prescriptions on how to overcome this difficulty. As far as Japan's position on this upcoming conference is concerned, we think that it is necessary for Japan to upturn the economy in order to increase job opportunities. The Japanese Government has so far undertaken monetary and fiscal policies. On top of this, the Government continues to take appropriate deregulation measures, and take appropriate measures on revitalization of small- and medium-scale industry. Those two measures will contribute further to job creation in the long term. In the meantime, it is necessary for Japan to take appropriate measures for young and aged workers. The Japanese Government is of the view that it can contribute to the debate at the upcoming G-7 Jobs Conference, especially on the revitalization of small- and medium-scale industry.

IV. Perspectives of Japan on Recent Democratic Elections in Taiwan

Foreign Ministry Spokesman Hiroshi Hashimoto: The elections in Taiwan were over on 23 March. It is deeply significant that, for the first time, a leader has been elected in Taiwan through the process of democratic elections. Japan strongly expects and hopes that the results of these elections in Taiwan will provide an opportunity for the parties on both sides of the Taiwan Strait to overcome the current difficult situation, and that it will show the way toward a peaceful solution to the issues involving Taiwan. From the perspective of seeking peace and stability throughout East Asia, in which Japan is located, Japan strongly hopes that the issues involving Taiwan will be settled peacefully. Currently, the relations on both sides of the Taiwan Strait are in a difficult situation, and Japan believes that in order to bring true peace and stability to the Taiwan Strait, it is of foremost importance that the parties on both sides of the Taiwan Strait talk to each other. Japan, based on the Japan-China Joint Communiqe of 1972, will continue to develop stable, cooperative relations with the People's Republic of China. At the same time, there is no change in Japan's policy of maintaining non-governmental working-level relations in the Japan-Taiwan relationship.

V. Japanese position regarding peaceful solutions to issues involving Taiwan

Q: What lessons in terms of security do you draw from the recent flare-up in the Taiwan area? And, will there be any exchange of notes on that between President Clinton and Prime Minister Hashimoto at the Summit Meeting next month?

A: When you say notes, do you mean exchange of papers?

Q: Yes.

A: Japan was very much concerned about the tension over the Taiwan Strait for the past several days. But now, the People's Republic of China has declared an end to the military exercises, and it seems that some Taiwanese leaders have begun to indicate the possibility of reconciling the issue between China and Taiwan. The tension, in this sense, has decreased since 23 March. We sincerely hope that this trend will continue for a long time, so that the parties on both sides of the Taiwan Strait will really show the way toward a peaceful solution to the issues involving Taiwan. You asked what we have learned from the Taiwan situation. As you know, the Japanese Government asked both China and Taiwan for self-restraint. The Japanese Government is glad to see that tension has decreased. It is important to continually ask both China and Taiwan to keep that self-restraint policy. This is what I can say. As for your second question, when President Clinton comes to Japan next month, the two governments intend to issue a joint paper concerning the importance of the Japan-United States alliance in the post-cold war era. We hope that it will give a clear message to the general public, both in Japan and the United States, on the necessity of the alliance.

Q: How was this situation decided? What was the influence of the recent Taiwan situation on the Japanese security system?

A: The situation over there more or less influences the security of Japan. Therefore, the Japanese Government repeatedly told both China and Taiwan that it is not desirable for the peace and stability in East Asia if the tension rises over there. We hope that they have listened to our ardent concerns, and we hope that they will not repeat the same situation in the future. When Minister of Foreign Affairs Qian Qichen of the People's Republic of China comes to Japan, I am sure that Minister for Foreign Affairs Yukihiko Ikeda will have a chance to exchange views with Foreign Minister Qian Qichen, not only on this subject, but also on the other issues which both gentlemen are interested in. In any case, Japan and China should develop a good, neighborly relationship for a long time into the future. In this sense, we have to find out how to do that.

VI. Visit to Japan by Minister of Foreign Affairs Qian Qichen of the People's Republic of China

Q: I understand that the Chinese Foreign Minister is going to arrive here next week. Is he going to have a meeting with Prime Minister Hashimoto? And, is he going to discuss the security issue of Asia with Chinese officials?

A: In the afternoon of 31 March, Foreign Minister Qian Qichen and Foreign Minister Ikeda will meet. We would like to arrange a meeting for Foreign Minister Qian Qichen and for the other VIPs of the Japanese Government on 1 April. We are not in a position to announce now which meetings will be arranged for him. On 2 April, we understand that Foreign Minister Qian Qichen will hold a press conference. During the talks between Foreign Ministers Ikeda and Qian Qichen, they will talk about both the bilateral issues and international issues which the two gentlemen are interested in. But, when you say security, what do you mean? Japan's security system? I do not think they will specifically talk about the Japan-United States alliance. If Foreign Minister Qian Qichen wishes to talk about that, I am sure Foreign Minister Ikeda will respond.

Q: Regarding the security issue in Asia.

A: We still do not know specifically what the two leaders want to discuss regarding the international agenda. There is a possibility that they will talk about the ASEAN Regional Forum (ARF), if they wish to do so.

Q: When you say that you are not in a position to announce the meetings with Japanese officials, do you mean that you are still in the process of negotiating these meetings — that these meetings are private or not official yet? You can't say positively what's involved, because you are still in the process of scheduling the meetings?

A: Foreign Minister Qian Qichen's?

Q: Yes.

A: Because of the Diet Session, unfortunately, we still do not know what meetings can be arranged for him now. But, of course, the Japanese Government will do its best to make his visit a success, because he is visiting Japan as the official guest of the Ministry of Foreign Affairs of Japan.

VII. Matters concerning the Inauguration of President Lee Teng-hui of Taiwan

Q: Changing the subject — is the Japanese Government going to send any government officials to President Lee's inauguration?

A: Of course, this is an hypothetical question. I must remind you that Japan maintains non-governmental relations with Taiwan. According to the press reports, the LDP is seemingly contemplating sending representatives to Taiwan, if the LDP is invited by Taiwan.

VIII.Matters related to realignment, consolidation, and downsizing of United States bases in Okinawa

Q: Regarding President Clinton's visit to Japan, is there any progress regarding the reduction of United States forces in Okinawa?

A: With regard to the issue of United States bases in Okinawa, we have to divide the issue into two parts. One is related to the actual implementations of the Status of Forces Agreement (SOFA). It is related to the reduction of noise levels, providing number plates for military vehicles, etc. The other big issue is related to the realignment, consolidation, and downsizing of the bases. As far as the first issue is concerned, both Japan and the United States are doing their utmost to produce something tangible in the very near future. As far as the second issue is concerned, both governments have agreed that they will announce the measures for this by November this year. But, both governments are now doing their best to show a clear direction on how to address these issues at the time of President Clinton's visit to Japan. At this moment, we are not in a position to say anything concrete on this issue.

Q: Some people think that Foreign Minister Ikeda will travel to the United States for this purpose. Have you heard this?

A: I have not heard about this. The fifth meeting of the Special Action Committee on Facilities and Areas in Okinawa (SACO) is just over, and sometime at the beginning of April the next meeting will be held. Of course, a time and place have not been decided on. I have not heard at all that Foreign Minister Ikeda intends to visit the United States for this purpose. Incidentally, I would like to remind you that Secretary of Defense William Perry of the United States intends to visit Japan just before President Clinton comes to Tokyo. So, personally, it seems inconceivable that Foreign Minister Ikeda will visit Washington this time.

IX. Matters concerning the visit to Japan by President Clinton of the United States

Q: Besides Secretary Perry, do you have any idea as to who the other cabinet members are who will accompany the President to Japan?

A: At this moment, we still do not know who will accompany President Clinton. When the G-7 Summit took place in 1993, I remember that Secretary of State Warren Christopher and former Secretary of the Treasury Lloyd Bentsen of the United States of America came. This time, I do not know who is actually accompanying President Clinton. Thank you very much.

Japan: Ota Rejects Court Order To Sign Land Lease Documents

OW2703034896 Tokyo KYODO in English 0315 GMT 27 Mar 96

[FBIS Transcribed Text] Naha, Japan, March 27 KYODO — Okinawa Gov. Masahide Ota on Wednesday [27 March] rejected a court order to sign documents needed to oblige local landowners to lease their land to the U.S. military and also indicated he would take the battle to the Supreme Court.

Ota arrived at the decision to reject a high court order after meeting Wednesday morning with other prefectural government officials. He later sent a letter to Prime Minister Ryutaro Hashimoto informing him of the decision.

Ota told reporters he would not comply with the court order since it was "extremely harsh toward the people of Okinawa" and indicates no direction for a fundamental resolution of the bases issue.

"In consideration of the will of the people of Okinawa who have repeatedly asked for a resolution to the problem, signing the documents becomes extremely difficult," Ota said.

The Naha Branch of the Fukuoka High Court ordered Ota on Monday to sign the documents by Thursday, to facilitate the continued lease of land to the U.S. military for its bases in the island prefecture, about 1,600 kilometers southwest of Tokyo.

Ota's refusal to sign the documents means that Hashimoto will likely sign the documents later Thursday.

After Hashimoto signs the required documents, the Naha Regional Defense Facilities Administration Bureau is expected to ask the prefectural appropriations committee to make available the land needed for the U.S. military bases.

Leases for some 35,000 square meters of land used for U.S. military facilities, including a 236-square meter communications site in Yomitan, expire at the end of the month. A number of landowners have demanded that their land be returned.

Ota has sided with the landowners and has rebuffed several attempts by central government officials to persuade the governor to sign the lease documents.

In December, then-Prime Minister Tomiichi Murayama filed a suit against Ota, aiming to force the governor to comply with the central government's wishes.

About 75 percent of all Japanese land for U.S. military use is concentrated in Okinawa Prefecture, which accounts for only 0.6 percent of Japan's total area.

Japan: Kajiyama Asks Mondale for 'Understanding' on Okinawa Bases

OW2703091396 Tokyo KYODO in English 0859 GMT 27 Mar 96

[FBIS Transcribed Text] Tokyo, March 27 KYODO — Chief Cabinet Secretary Seiroku Kajiyama asked U.S. Ambassador to Japan Walter Mondale on Wednesday [27 March] that the United States show "understanding and sympathy" toward requests from Okinawa to cut the number of U.S. Bases in the prefecture.

In a 30-minute meeting, Kajiyama and Mondale discussed U.S. President Bill Clinton's planned visit to Japan on April 16-18 and related security and trade issues.

Mondale asked for progress in bilateral trade disputes over insurance, semiconductors and film, and Kajiyama said security issues were of equal interest to Japan, Kajiyama later said at a news conference.

Kajiyama said he told Mondale that Okinawa residents have developed very strong hopes regarding cutbacks of U.S. bases in Japan's most southerly prefecture as Clinton's visit approaches.

The ambassador failed to give a specific answer, Kajiyama told reporters.

Mondale appreciated the nearly-resolved bilateral trade row over aviation and Prime Minister Ryutaro Hashimoto's efforts on liberalization and deregulation in the housing and construction material sectors, Kajiyama said.

Kajiyama said he and Mondale agreed that they should help make the Clinton visit fruitful, with the issuing of a joint declaration on the Japan-U.S. security setup and debate on measures to activate the world economy.

On Monday the Naha branch of the Fukuoka District Court demanded Okinawa Gov. Masahide Ota cooperate with the state in forcing unwilling landowners to renew lease contracts for the U.S. military.

Ota has refused to obey the court order, and some of the contracts expire at the end of March.

Antimilitary sentiment has risen since the rape of an Okinawa girl last September, for which three U.S. servicemen have been sentenced to between six and a half years and seven years in prison. Two of the three have said they will appeal to a higher court.

Japan: Police Raid Office of Group Opposing Sobe Facility

OW2703141996 Naha RYUKYU SHIMPO in Japanese 27 Mar 96 Evening Edition p 7

[FBIS Translated Text] The Okinawa Prefectural Police launched a raid on an office of hard-core radicals [chukaku-ha] in Sobe, Naha city at 0000 on 27 March on suspicion of arson of an inhabited structure [genjukenzobutsuto-hoka].

The raid was conducted at the request of the Chiba Prefectural Police investigating an arson case in which the hard-core radicals set ablaze the house of a former chairman of a local business promotion liaison association in Chiba Prefecture on 24 October, 1995.

In connection with the lease expiration of the U.S. forces' Sobe Communications Facility (nicknamed the elephant cage) on 31 March, the hard-core radicals are trying to concentrate radical forces on Okinawa, proclaiming in their gazette and other publications a determination "to destroy the function of the elephant cage" and "to turn Okinawa into an ammunition depot for revolution."

Japan: Editorial Calls Ruling in Okinawa Base Trial Appropriate

OW2703041496 Tokyo YOMIURI SHIMBUN in Japanese 26 Mar 96 Morning Edition p 3

[Editorial: "Court Weighs Heavily the Importance of Security Pact in Its Decision Over Okinawa's Bases Issue"]

[FBIS Translated Text] In its ruling, the Naha branch of the Fukuoka High Court ordered Okinawa Governor Masahide Ota to sign documents needed for continued forced rental of land to the U.S. military.

The court fully accepted the central government's assertions. Noting that signing the documents was a function assigned by the central government and something the governor could not be permitted to refuse under the current law, it concluded: "The governor is obliged to sign the documents." The decision was right and proper.

In the court dispute, the governor claimed: "The U.S. military presence in Okinawa infringes on our constitutional rights to live in peace and local landowners' property rights," and "Refusing to sign the documents serves the public interest of Okinawans."

The court rejected Ota's claim, stressing that the central government needs to fulfill its duty to provide necessary facilities and land to the U.S. forces in accordance with the Japan-U.S. Security Treaty and the Status of Forces Agreement. It said: "It is apparent that refusing to sign the documents "significantly hinders the public interest."

Special attention should be given to the fact that the court made the decision by accepting the central government's assertion that the U.S. military presence is in Japan's "national interest" because it ensures the security of the nation. Ota and the Okinawa prefectural office should take the ruling seriously.

Although the court orders the governor to sign the documents within three days following the ruling, Ota reportedly intends to reject the court order. Thus, Prime Minister Ryutaro Hashimoto is expected to sign the documents on behalf of Ota as early as 29 March and apply to the prefectural land expropriation committee for approval of forced use of land.

Hashimoto will also seek the prefectural panel's approval to use the plot for Sobe Communication Site as an emergency step because the central government is certain to fail to finish the necessary legal steps for renewing some land leases for the Sobe facility before they expire on 31 March.

The central government considers the failure to continue to provide the Sobe plot to the U.S. military is unfavorable in view of security. Taking this into consideration, the prefectural panel should swiftly promote procedures for allowing the emergency use of the land.

Even if permission for the emergency use is given, the central government will temporarily lose its legal ground for use of the land after the expiry of some leasing contracts. Yet, the government intends to continually use the Sobe plot, citing Japan's duties under the security pact and its "right to manage military- occupied land." It will soon begin work to build a fence around the facility to prevent unauthorized entry.

Confusion is expected around the Sobe facility because the landowners reportedly plan to enter the plot with their supporters immediately after their lease contracts expire. We hope that the landowners and their supporters will fully understand the importance of the Sobe facility and gravity of the court ruling and keep calm.

It is a matter of course to actively promote the consolidation and reduction of U.S. bases in Okinawa, an issue pending between Japan and the United States. In reference to this issue, the court ruling noted that "the state has high responsibility" for solving the problem, urging the central government to make further efforts to reduce the U.S. military presence in the prefecture.

Although Japan and the United States have agreed to relocate the U.S. facility in Okinawa for live-fire training exercises across prefectural highway 104, they have failed to make significant progress in their talks on Okinawa's bases issue. This is mainly because the municipalities in Okinawa and mainland Japan which are considered alternate sites for U.S. bases are opposing a plan to transfer U.S. military facilities to their cities.

It is necessary for not only the government but also concerned municipalities to work to solve Okinawa's bases issue while considering the heavy U.S. military presence in Okinawa and "public interest."

It is needless to say that when they consider base-related issues, they need to make realistic approach to them while taking into consideration unstable factors in the Asia-Pacific region, including the relationship between China and Taiwan and the situation in the Korean peninsula.

Japan: Regional Bank Grouping Tells Members To Write Off Loans

OW2703124296 Tokyo KYODO in English
1228 GMT 27 Mar 96

[FBIS Transcribed Text] Tokyo, March 27 KYODO — The regional Banks Association of Japan has told its 64 members that they should independently write off their loans to Chigin-Seiho Housing Loan Co., one of the seven insolvent "jusen" housing loan companies, association officials said Wednesday [27 March].

The notice means the abandonment of the association's earlier decision calling for the 64 regional banks to give up their claims on Chigin-Seiho, of which they are founders, and write them off as tax-free loan losses for fiscal 1995, the officials said.

The government-drafted scheme to liquidate the seven jusen companies permits founder banks to write off their problem loans free of tax if they give up their claims altogether.

However, major commercial banks and trust banks have decided not to give up their claims but transfer the equivalent amount into taxable loan-loss reserves.

Now that a tax-free writeoff of the bad loans appears unlikely, the association has decided to let its members deal with the problem independently.

Japan: 'Jusen' Firm Halts Interest Payments to Farm Banking Firms

OW2703125196 Tokyo KYODO in English
1235 GMT 27 Mar 96

[FBIS Transcribed Text] Tokyo, March 27 KYODO — One of the seven virtually bankrupt "jusen" housing loan companies formally told two farm banking firms Wednesday [27 March] it will halt interest payments on outstanding loans from them, banking sources said.

The sources said the notification was made by Housing Loan Service Co., founded by commercial banks, to Norinchukin Bank and the National Mutual Insurance Federation of Agricultural Cooperatives (zenkyoren).

They said the mortgage firm owes the two agricultural bodies a total of 5.5 trillion yen, with interest due for the January-March period of this year amounting to about 60 billion yen.

The notification came after housing loan service and two other jusen companies decided Tuesday to abandon plans for financial reconstruction.

The sources said the three companies told Norinchukin Bank on Wednesday of their decisions to give up reconstruction efforts.

The other two lenders are Sogo Jukin Co. and Chigin-Seiho Housing Loan Co., they said.

They said Japan Housing Loan Inc., Housing Loan Service and Sogo Jukin have earlier made a similar notification to zenkyoren.

The sources said other mortgage firms are expected to take similar actions by the end of this week as they move toward liquidation according to a government jusen resolution scheme.

Tokyo Considering Taking Brazil's Auto Policy to WTO

OW2603131396 Tokyo KYODO in English
1245 GMT 26 Mar 96

[FBIS Transcribed Text] Tokyo, March 26 KYODO — The Japanese Government plans to file a complaint in mid-April with the World Trade Organization (WTO) against Brazil's policy of requiring automakers to maintain high local content ratios, officials said Tuesday [26 March].

The government will also consider lodging complaints against Argentina, Indonesia and other countries adopting similar auto trade policies, the officials said.

Brazil requires automakers operating there to bring the ratio of locally made parts to more than 60 percent of all parts they use, and offers tariff benefits to manufacturers clearing the requirement.

During Brazilian President Fernando Enrique Cardoso's recent visit to Japan, the Japanese Government called for an end to the policy on the grounds that it violates the trade-related investment measures (TRIM) agreement.

But Brazil plans to file a petition with the WTO in May and ask the world trade watchdog to permit its policy as an exception to the TRIM accord.

The TRIM agreement, approved by the member states of the General Agreement on Tariffs and Trade (GATT) in December 1993, prohibits them from obligating investors to purchase local components. GATT is the WTO's predecessor.

As many developing countries support the Brazilian policy and the WTO's acceptance of it as an exception would make the accord meaningless, Japan will file a complaint ahead of Brazil's move, the officials said.

Tokyo, European Union Welcome Auto Export Accord

OW2703094696 Tokyo KYODO in English
0931 GMT 27 Mar 96

[FBIS Transcribed Text] Tokyo, March 27 KYODO — The European Union and Japan's automobile industry on Wednesday [27 March] welcomed an accord setting Japanese automobile exports to Europe at 1,066,000 in 1996.

The representative office of the 15-nation EU in Tokyo said the agreement will contribute to ongoing restructuring of the automobile industry in Europe.

The office noted that automobile sales on the European market have been flagging since 1993.

Takao Tominaga, vice chairman of the Japan Automobile Manufacturers Association, said Japanese automakers will abide by the accord reached on the basis of a comprehensive assessment of the automobile market situation in Europe.

He said the ceiling seems to be severe, however, because the European market has shown signs of recovery.

Japan: MITI Notes EU-Bound Auto Exports Cut First Time in 3 Years

OW2703033196 Tokyo KYODO in English
0256 27Mar

[FBIS Transcribed Text] kyo, March 27 KYODO — Japan and the European Union (EU) have greed that Japanese automakers will be allowed to export up to 1,066,000 vehicles to the 15 EU member states in 1996, down 5,000 from the 1995 quota, the Ministry of International Trade and Industry said Wednesday [27 March].

The export quota was slashed for the first time in three years, in response to falling exports to the EU due to the strong yen and output localization by Japanese exporters.

Japan's actual EU-bound auto exports have been running far below annual quotas. Exports totaled 795,000 vehicles in 1995, compared with a quota of 1,071,000 which was revised from the initial 1,150,000 when Japan and the EU reviewed it in October.

The 1996 quota will also come under review in the fall.

At two days of intensive talks which began Monday, Japan and the EU project that EU-wide demand will total 13.29 million vehicles this year, up 2.6 percent from 1995, the ministry said.

Meanwhile, both sides set quotas for Japanese auto exports at 78,300 vehicles for Britain, 95,800 for France, 65,700 for Italy, 4,500 for Spain and 34,400 for Portugal, according to the ministry.

Voluntary export restraints are generally prohibited under rules of the World Trade Organization. But the global trade body counts Japan-EU auto export monitoring as an exceptional case which will expire in 1999.

Japan: Farm Minister on Plan To Extend British Beef Ban

OW2703031396 Tokyo KYODO in English
0230 GMT 27 Mar 96

[FBIS Transcribed Text] Tokyo, March 27 KYODO — Japan plans to ban imports of all beef products from Britain, because of fears of "mad cow disease," Agriculture, Forestry and Fisheries Minister Ichizo Ohara said Wednesday [27 March].

"At present, no beef and cows are imported from Britain, but there is the possibility of pet foods containing them. I would like to ban imports of those, other than prohibited items, for a while," Ohara said at a session of the House of Representatives budget committee.

The European Union on Monday imposed a total ban on beef imports from Britain, where about 143,000 cows contracted the disease from 1986 to 1994. Japan has banned imports of beef from Britain since 1951, out of fear of the spread of the foot-and-mouth disease.

Some scientists have said that the "mad cow disease," formally known as Bovine Spongiform Encephalopathy (BSE), might have links to a fatal human brain disease.

Tokyo, San Marino Expected To Establish Formal Diplomatic Ties

OW2703115996 Tokyo KYODO in English
1136 GMT 27 Mar 96

[FBIS Transcribed Text] Tokyo, March 27 KYODO — Japan will formally establish diplomatic relations with the Republic of San Marino, a Foreign Ministry spokesman announced Wednesday [27 March].

Documents on the establishment of ties were exchanged between representatives of the two nations in San Marino, the capital of the republic within the central Italian region, on the same day, spokesman Hiroshi Hashimoto said in a statement.

Formal relations will take effect as soon as San Marino notifies Japan that it has completed procedures required under its domestic laws.

Japan and San Marino, the world's smallest and oldest republic, have maintained relations through consulates since 1961.

Japan: Government To Grant 8.54 Billion Soft Loan to Ghana

OW1903144096 Tokyo KYODO in English 1124 GMT 19 Mar 96

[FBIS Transcribed Text] Tokyo, March 19 KYODO — Japan will give soft loans of up to 8.54 billion yen to Ghana to finance two projects to improve the African country's trunk road network and push for privatization of its public corporations, the Foreign Ministry said Tuesday [19 March].

Officials of the two countries exchanged notes on the yen-denominated official credit in Accra, the capital of Ghana, the same day, the ministry said.

The untied 30-year loans will be provided with a grace period of 10 years and an interest rate of 2.3 percent per annum, it said.

Separately, Japan will also grant up to 281 million yen to Ghana to supply equipment for science education such as microscopes and computers to the University of Cape Coast, the ministry said.

Tokyo Extends 47.58 Billion Yen Loan to Philippines

OW2703084196 Tokyo KYODO in English 0826 GMT 27 Mar 96

[FBIS Transcribed Text] Manila, March 27 KYODO — The Philippines said Wednesday [27 March] it exchanged notes with Japan on a 47.58 billion yen official development assistance (ODA) loan package to mainly finance infrastructure development projects in the Philippines.

Japan also extended a grant of 708 million yen to the Philippines to purchase training equipment, Manila said.

The agreements on the economic assistance were signed at the Department of Foreign Affairs by Japanese Ambassador Yoshifumi Matsuda and Rodolfo Severino, the acting Philippine foreign secretary.

Matsuda said the loan package will be used for four projects, including a 6.91 billion yen project to improve roads and restore a catch basin for volcanic debris in the volcano-damaged areas of Luzon.

It will also include money for the 24.712 billion yen Metro Manila strategic mass rail transit development project that will link downtown Manila to suburban Quezon City.

The package also earmarks 10.799 billion yen to finance agricultural cooperatives and 5.158 billion yen to provide financial resources to private companies investing in equipment to minimize industrial waste in the capital.

Japan: Investment in Mekong Area Expected To Increase

OW2603131596 Tokyo KYODO in English 1217 GMT 26 Mar 96

[FBIS Transcribed Text] Osaka, March 26 KYODO — A business leader said Tuesday [26 March] that Japanese companies' investment in the development of areas along the Mekong River will need some time to pick up steam because governments concerned do not have strong "organic" ties.

But the region has growth potential, said Mamoru Hashimoto, vice chairman of Marubeni Corp.

Hashimoto led a 26-member mission sent by the Kansai Economic Federation to Vietnam, Myanmar [Burma] and China for 10 days to study the investment environment in those countries and the possibility of economic development in the Mekong River region.

Meeting political and business leaders in those countries, the team of officials from major trading houses, manufacturers and other concerns returned home Tuesday evening.

Japan: MITI Report Notes Positive Effect of Information Industry

OW2703122796 Tokyo KYODO in English 1212 GMT 27 Mar 96

[FBIS Transcribed Text] Tokyo, March 27 KYODO — The International Trade Ministry said Wednesday [27 March] the nation's information industry caused spinoff economic effects estimated at 2.12 trillion yen in 1995. The report by the Ministry of International Trade and Industry (MITI) also calls for a shift of emphasis from public works projects to the development of information-related industries as an economic stimulus measure.

Based on industrial data for 1993, the report said personal computer production in 1995 was estimated at 890 billion yen, triggering spinoff effects worth about 880 billion yen on other industries.

Japan's production of portable telephones was worth 490 billion yen in 1995, resulting in about 620 billion yen worth of spinoff products, the report said.

The report said spinoff effects caused by information and semiconductor fields were estimated at 4.27 trillion yen, boosting the nation's gross domestic production by 0.4 percent.

The ministry employed the data to measure spillover effects of production in a certain industry on related areas.

Japan: LTCB Forecasts Capital Investment Growth for FY96

OW2703075196 Tokyo KYODO in English
0721 GMT 27 Mar 96

[FBIS Transcribed Text] Tokyo, March 27 KYODO — The Long-Term Credit Bank [LTCB] of Japan said Wednesday [27 March] corporate capital investment will grow for the second straight year in fiscal 1996 as companies want to increase capacity and strengthen competitiveness.

The bank said capital investment will increase in fiscal 1995 for the first time in four years, rising an estimated 5.5 percent from the previous year.

The growth rate will slow to a modest 1.2 percent in fiscal 1996, which begins April 1, it said.

In fiscal 1996, the bank said investment by the manufacturing sector will drop a modest 0.4 percent.

Although investment by such industries as electric machinery, general machinery, automobiles and paper-pulp will continue to increase, investment by the steel industry will decline considerably due to the completion of large projects, it said.

The bank said investment in processing and assembly industries will increase 3.0 percent but investment in the materials industry will decline 6.5 percent.

However, if excluding the steel sector, investment in the materials industry will actually rise 5.4 percent, it said.

In the nonmanufacturing sector, investment plans call for a 1.8 percent rise, it said, adding that investment in the construction and real estate sectors will continue to decline sharply, but will increase in the transportation and communications, electric utility and leasing industries.

The bank said capital investment by department store and supermarket operators will increase for the first time in five years as a result of an increase in new store openings.

Excluding electric utility and leasing, however, investment in the nonmanufacturing sector will post a 0.7 percent drop, it added.

Analyzing corporate investment plans for fiscal 1996, the bank said "corporate attitudes toward investment remain cautious" and that "even as continued corporate profit increases and other factors work to improve the investment environment, overall, companies are keeping a tight rein on investment expenditures."

The bank said that "nevertheless, aggressive investment to increase production capacity can be seen in a wider range of fields, so there is a strong probability that plans will be revised upward, albeit on a small scale."

Japan: Ruling Coalition Agrees To Revise Bank of Japan Law

OW2703143696 Tokyo KYODO in English
1423 GMT 27 Mar 96

[FBIS Transcribed Text] Tokyo, March 27 KYODO — The ruling coalition Wednesday [27 March] decided to launch steps toward revising the Bank of Japan Law, which was written in 1942, coalition sources said.

The law regulating the Bank of Japan (BOJ) stipulates that the finance minister is authorized to issue an administrative order to the central bank and dismiss its policy committee members from their posts.

The ruling coalition, formed by the Liberal Democratic Party, the Social Democratic Party and New Party Sakigake [Harbinger], agreed to revise the law to strengthen the independence of the BOJ and improve the "transparency" of its monetary policy-making process, the sources said.

The government and the Finance Ministry have often intervened in BOJ-administrating matters, even in decision-making on the official discount rate.

The ruling coalition is concerned about the rights to supervise financial policies and activities by financial institutions being concentrated on the Finance Ministry, the sources said.

Japan: Kubo on Possibly Not Using Tax Money for Credit Unions

OW2703105896 Tokyo KYODO in English
1026 GMT 27 Mar 96

[FBIS Transcribed Text] Tokyo, March 27 KYODO — Finance Minister Wataru Kubo indicated Wednesday

[27 March] that the ministry might give up plans to use taxpayers' money to cope with possible failures of credit unions.

At a news conference, kubo said he is aware that there are various opinions among the ruling coalition parties on a draft bill to amend the Deposit Insurance Law, and the government would seek to accommodate them.

He was commenting on objections from coalition members to a provision in the draft bill that taxpayers' money could eventually be used to dispose of failed credit unions.

The provision is in one of three draft bills the ministry is seeking to submit to the Diet to try to stabilize Japan's financial sector.

Kubo said, "It is most desirable for the three draft bills to obtain approval from the coalition parties as they are."

"But the government will listen to the opinions of coalition members, and seek ground where it can agree with the parties," he said.

The ruling coalition, already under fire over the government's plan to use 685 billion yen in tax money for the liquidation of seven troubled mortgage companies, fears that further use of tax money could fuel public anger.

The draft bill in question calls for Deposit Insurance Corp. to borrow money from the Bank of Japan (BOJ) when the depositor protection body faces fund shortages in handling possible collapses of credit unions over the next five years.

It stipulates that the government will guarantee repayment of BOJ loans to the corporation, meaning those loans will be repaid with the help of taxpayers' money if the corporation fails to repay.

Japan: Lower House Passes Stopgap Budget

OW2703085996 Tokyo KYODO in English
0840 GMT 27 Mar 96

[FBIS Transcribed Text] Tokyo, March 27 KYODO — The powerful House of Representatives on Wednesday [27 March] approved a fiscal 1996 stopgap budget and immediately sent it to the House of Councillors.

The government of Prime Minister Ryutaro Hashimoto and the ruling coalition were forced to prepare the budget program due to a lengthy blockade of a Diet room by opposition party lawmakers.

Members of the largest opposition Shinshinto (New Frontier Party) blocked the entrance to the budget committee room in protest against the government's plan to spend 685 billion yen to help liquidate seven troubled housing loan companies known as "jusen."

Japan: Further on Lower House Passage of Stopgap Budget

OW2703105696 Tokyo KYODO in English
1029 GMT 27 Mar 96

[FBIS Transcribed Text] Tokyo, March 27 KYODO — The House of Representatives on Wednesday [27 March] approved a stopgap budget for the fiscal year starting in April after a three-week opposition protest brought the house to a virtual standstill.

The powerful lower house immediately sent stopgap budget bills to the House of Councillors, where they are expected to be approved Friday.

The government of Prime minister Ryutaro Hashimoto and the ruling coalition were forced to prepare the 11.6 trillion yen temporary budget program due to a 22-day blockade of the lower house's budget committee room by lawmakers of the opposition Shinshinto (New Frontier Party).

Shinshinto members blocked the entrance to the committee room in a protest against the government's plan to spend 685 billion yen in taxpayers' money to help liquidate seven failed housing loan companies known as "jusen."

Diet discussions were restarted Tuesday for the first time since earlier this month.

Deliberations on the 75.1 trillion yen state budget for fiscal 1996 are expected to resume in early April.

Leaders of the three ruling parties — Hashimoto's Liberal Democratic Party (LDP), the Social Democratic Party (SDP) and New Party Sakigake [Harbinger] — and Shinshinto and the Japanese Communist Party (JCP) agreed to end the Diet stalemate Monday.

The agreement to return Diet proceedings to normal came a day after a candidate backed by the three ruling parties beat candidates from the two opposition parties by a wide margin in an upper house by-election in Gifu Prefecture, central Japan.

Japan: Ministerial Meeting on Deregulation Slated for 27 Mar

OW2503152396 Tokyo KYODO in English
1301 GMT 25 Mar 96

[FBIS Transcribed Text] Tokyo, March 25 KYODO — A ruling coalition panel decided Monday [25 March] to call a ministerial conference Wednesday to discuss the liberalization of employment introduction business and other pending issues, party officials said.

The employment issue has long been the focus of discussions on a revised deregulation program to be adopted by the government Friday.

Officials slated to attend the ministerial session will include Finance Minister Wataru Kubo, Labor Minister Takanobu Nagai and Ichiro Hino, minister of posts and telecommunications.

The attendants are expected to discuss other pending issues such as the breakup of domestic telecommunications giant Nippon Telegraph and Telephone Corp. (NTT), deregulation on the establishment of holding companies and decontrols in the financial and securities sectors, the officials said.

The decision on the ministerial session was made at a joint meeting of administrative reform project teams of the three coalition parties, chaired by Kiyoshi Mizuno of the Liberal Democratic Party, the main force in the three-party coalition, they said.

Team members exchanged views on the liberalization in principle of employment introduction and workers dispatching business, an easing of regulations on prescription medicines such as vitamins and cold tablets, raising of the minimum trading limits for commodity funds and the abolition of regulations on commercial paper issues by leasing and credit companies, the officials said.

No agreement was reached on the subjects and the attendants agreed to leave the matter to discussions at Wednesday's ministerial session, they said.

The officials said the attendants agreed to allow the listing of service companies meeting requirements on the second over-the-counter market in a move designed to foster research and development-oriented venture companies.

Japan: Ministry Eases OTC Market Rules to Service Firms

OW2703083096 Tokyo KYODO in English
0806 GMT 27 Mar 96

[FBIS Transcribed Text] Tokyo, March 27 KYODO — The Ministry of Finance said Wednesday [27 March] it has eased requirements for listing on the newly opened over-the-counter [otc] market, giving access to service firms.

The Japan Securities Dealers Association said it will revise its charter to conform to the ministry's decision and implement it by the end of April.

The second over-the-counter market was opened in July last year to help loss-making but promising venture companies raise funds for research and development.

Ministry officials said the policy change is in response to a request by the American Chamber of Commerce and Industry in Japan that the market be opened to service companies trying to expand into new business areas.

Japan: Panel Postpones Decision on NTT Breakup

OW2603122996 Tokyo KYODO in English
1144 GMT 26 Mar 96

[FBIS Transcribed Text] Tokyo, March 26 KYODO — A working team of the ruling coalition decided Tuesday [26 March] to put off a decision on whether to break up domestic telecommunication giant Nippon Telegraph and Telephone Corp., panel officials said.

The officials said the Social Democratic Party, the second largest group in the tripartite coalition, called for a careful study on the issue over the next three years, while the Liberal Democratic Party, the main governing force, sought an earlier decision.

They said both sides will try to straighten out differences and make a decision a year later.

A subgroup set up by the working panel Tuesday will come up with a proposal by Wednesday morning, the officials said.

They said the ruling coalition is likely to reach a compromise to seek a decision around mid-1997 when the next regular session of the Diet will be closed.

The discussion in the coalition parties follows a report submitted late last month by the telecommunications council, an advisory panel to the posts and telecommunications minister, which calls for dividing the telecom giant into one long-distance and two regional — east and west — companies by the end of March 1999.

Japan: NTT Chief Rejects Talks With Posts Ministry on Split

OW2703104396 Tokyo KYODO in English
0947 GMT 27 Mar 96

[FBIS Transcribed Text] Tokyo, March 27 KYODO — Nippon Telegraph and Telephone Corp. (NTT) should not hold talks with the Posts Ministry on the issue of splitting up the company, despite a call for such talks from the ruling coalition, NTT President Masahi Kojima said Wednesday [27 March].

"We would be talking at cross-purposes even if we discussed policy issues" with the Posts and Telecommunications Ministry, Kojima said at a news conference.

The coalition, which was supposed to decide whether to break up the telecom giant by March 31, decided Tuesday to postpone making up its mind on the contentious issue for around a year.

The coalition parties — the Liberal Democratic Party, the Social Democratic Party and New Party Sakigake [Harbinger] — called on NTT and the ministry to hold discussion because the two sides are widely apart on the much-debated split, post-breakup earnings forecasts and other issues.

Kojima said that while discussions about numbers, such as earnings forecasts, could take place, we should not seek agreements on international strategies, telecom administration and other policy issues in talks with the ministry.

Kojima said while NTT will not ask the ministry to have talks with the company, "ultimately, we have no choice but to talk with the ruling parties."

Kojima had called for the coalition to postpone making a decision on the NTT issue for another three to five years.

"The telecom sector will be seeing satellite networking of the world and other big changes around that time," Kojima said. If the breakup issue is debated with such foresight, it would make no difference whether the delay will be one year or longer, he said.

Japan's MITI: Hollowing Out Could Cause Loss of 110,000 Jobs

*OW2603133396 Tokyo KYODO in English
1306 GMT 26 Mar 96*

[FBIS Transcribed Text] Tokyo, March 26 KYODO — Japan will likely lose 110,000 jobs in fiscal 1995 ending March 31 because of a shift in corporate operations offshore, the Trade Ministry said in a survey report Tuesday [26 March].

Until recently, moving operations abroad actually helped increase domestic employment by spurring exports of components and related products from Japan, the ministry said. Such moves added 132,000 jobs in fiscal 1994, the Ministry of International Trade and Industry said.

But the yen's appreciation has thrust the production shift into full scale and accelerated finished goods imports, causing the first decline in domestic jobs triggered by the shift, according to the ministry.

The ministry surveyed around 14,000 Japanese companies with overseas affiliates in which they have an equity stake of at least 10 percent.

Japanese companies, mainly manufacturers, have accelerated the shifting of plants and other facilities offshore since 1993 because of the yen's steep rise.

In fiscal 1995, China and other Asian countries were chosen by 80 percent of Japanese manufacturers setting up their first overseas bases, the ministry said.

Japanese manufacturers are expected to produce 10.0 percent of their total output abroad in fiscal 1995, compared with 8.6 percent in fiscal 1994.

Automakers and other transportation equipment makers notably stepped up overseas investment, the ministry said.

The ministry also forecasts overseas operations will work to subtract some 2.8 trillion yen from Japan's domestic production in fiscal 1995 after pushing it up by around 3.9 trillion yen a year earlier, it said.

Japan: Survey Shows Over Quarter of Manufacturers Reduce Workforce

*OW2703075396 Tokyo KYODO in English
0728 GMT 27 Mar 96*

[FBIS Transcribed Text] Tokyo, March 27 KYODO — The Labor Ministry said Wednesday [24 March] 25.3 percent of surveyed manufacturers have reduced their regular workforce over the past three years due partly to their policy of shifting production to overseas plants.

The survey of 4,500 manufacturers with a regular workforce of more than 100, which was conducted last September, also found that 20.4 percent of the responding companies are engaged in overseas production, the ministry said.

The findings demonstrate that manufacturing firms have carried out employment adjustments, such as cuts in the recruitment of students fresh out of school and of workers from other companies, in response to the launch of overseas operations, the ministry said.

Among other findings, 32.5 percent of the respondents said they are afraid that the increased shift to overseas production will decrease the number of skilled workers available at home.

Japan: Three Regions Designated Foreign Access Zones

*OW2703095896 Tokyo KYODO in English
0936 GMT 27 Mar 96*

[FBIS Transcribed Text] Tokyo, March 27 KYODO — Japan designated Wednesday [27 March] three port regions as foreign access zones, allowing them special incentives in promoting import-related and foreign investment-related projects, government officials said.

The areas are the port of Hachinohe, Aomori Prefecture, the port of Niigata, Niigata Prefecture, and the port of Shimizu, Shizuoka Prefecture.

The access zones were decided by the Ministry of International Trade and Industry, the Ministry of Transport, the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Home Affairs.

Specifically, businesses that construct facilities for increasing imports can get subsidies from the government.

The ministries also decided to add the Okayama Airport area in Okayama Prefecture to the free access zone list after the area's import promotion plan is completed, the officials added.

Japan: Auto Industry Group Notes Drop in Exports

OW2703054596 Tokyo KYODO in English
0442 GMT 27 Mar 96

[FBIS Transcribed Text] Tokyo, March 27 KYODO — The number of Japanese vehicles exported in February decreased 13.1 percent from a year earlier to 325,042, an industry group said Wednesday [27 March].

Exports of cars, trucks and buses in the reporting month, however, increased 22.5 percent from the previous month, the Japan Automobile Manufacturers Association said.

Of the total, passenger cars accounted for 254,552, down 12.8 percent from a year before, the association said.

Exports of trucks fell 14.1 percent to 66,639 and those of buses were down 16.1 percent to 3,851, it said.

In value terms, auto exports totaled $6,772.71 million, down 9.9 percent from the corresponding month last year, consisting of vehicles worth $4,496.77 million and parts of $2,275.94 million, it said.

Japan: MITI Reports Decline in Crude Oil Imports

OW2503090896 Tokyo KYODO in English
0818 GMT 25 Mar 96

[FBIS Transcribed Text] Tokyo, March 25 KYODO — Japan's crude oil imports in February fell 1.4 percent from the same month a year ago and marked the seventh straight month of decline, the Ministry of International Trade and Industry [MITI] reported Monday [26 March].

The imports totaled 140.85 million barrels in the reporting month, of which 111.63 million barrels came from the Middle East, down 0.5 percent. Middle Eastern oil comprised 79.3 percent of the total, compared with 79.6 percent in January, the ministry said.

Fuel oil output came to 127.23 million barrels, unchanged from a year earlier and the highest level for the month, while domestic sales of fuel oil rose 6.2 percent to 148.15 million barrels for the fourth straight month of increase, MITI said.

Crude oil processed in February totaled 136.16 million barrels, up 1.3 percent from the corresponding month a year ago, according to the ministry.

The leap year gave this February an extra day that worked to boost the numbers by around 3.5 percent, a ministry official noted. Fuel oil output and crude oil processing, therefore, effectively declined from the year-earlier figures for the month, he added.

The United Arab Emirates was the largest crude supplier for the 30th straight month at 34.50 million barrels, down 11.4 percent. Saudi Arabia ranked second at 27.37 million barrels, up 0.2 percent, followed by Iran at 16.20 million barrels, up 30.4 percent.

A breakdown of fuel oil production showed that the output of heavy oil a edged up 0.4 percent to set a monthly record, while gasoline and gas oil production rose 8.6 percent and 3.3 percent respectively, climbing to records for February.

On the sales front, kerosene registered a 13.3 percent jump to a record for February because temperatures averaged 1.1 C lower than in February 1995. It contributed 2.5 percentage points of the 6.2 percent increase in total fuel oil sales, the official said.

Sales of heavy oil a also rose 6.1 percent for the 11th straight month of year-on-year growth thanks to the temperature factor. They represent a record for the month, as did sales of gasoline and gas oil.

Heavy oil sales also picked up 8.5 percent thanks to growth in electricity output, the official said.

Naptha sales, meanwhile, contracted 1.9 percent because petrochemical output is falling from year-earlier levels, he said.

Fuel oil imports totaled 21.19 million barrels, up 15.9 percent, while exports slid 29 percent to 7.78 million barrels, according to the ministry.

Japan: Panel Says Government Should Allow More Local Autonomy

OW2603145996 Tokyo KYODO in English
1326 GMT 26 Mar 96

[FBIS Transcribed Text] Tokyo, March 26 KYODO — - The central government should transfer more power to local governments and strictly limit its intervention in local autonomies, according to a draft report by a government panel obtained Tuesday [26 March] by KYODO NEWS.

The draft report, to be submitted to Prime Minister Ryutaro Hashimoto on Friday, said the central government's involvement in local administrative affairs should be confined to those based on law.

It also proposed the establishment of an independent organization to coordinate administrative works of the central and local governments.

The draft report urged streamlining of subsidies by the central government to local governments.

It also called for abolishing the system whereby governors handle part of the administrative jobs of the central government, arguing it places local governments under the control of central authorities.

Under the proposed system, local governments would handle only their own administrative work and that assigned by the central government according to law.

The central government would entrust local authorities with such tasks as census taking, passport issuance, national elections and allocation of subsidies.

The central government, however, should retain the right to "advise" and "recommend" local governments on the execution of administrative jobs.

Japan: Personnel White Paper Examines Civil Servant Reemployment

OW2703104496 Tokyo KYODO in English 0958 GMT 27 Mar 96

[FBIS Transcribed Text] Tokyo, March 27 KYODO — Fewer senior officials than in previous years took important posts in private corporations upon retirement in 1995, but the Finance Ministry still ranks top in taking such influential positions for its retirees, government officials said Wednesday [27 March].

The findings are included in the 1995 white paper on the reemployment of retired public servants which was submitted to the diet and the cabinet by the national personnel authority.

According to the paper, a total of 189 officials, 14 fewer than in 1994, took up posts in private companies upon retirement, last year, a practice known as amakudari.

The Finance Ministry grabbed the largest share with 59 posts, ranking top among all ministries for the 31st year in a row.

Of the total, 69 took executive or advisor posts at their new employer.

Most amakudari were sent to corporations that exert considerable control over the business world.

Ranking second was the Ministry of International Trade and Industry (MITI) with 17 posts, followed by the Agriculture and Construction Ministries with each 16 and the post and Telecommunications Ministry which secured 13 posts for its retirees.

As for the employers, the finance and insurance sector ranked top, recruiting 44 ex-officials, followed by the manufacturing sector, which had ranked top over the last 15 years, with 39.

Almost 90 percent of the positions in the finance and insurance business were taken up by former Finance Ministry officials, highlighting the ministry's influence in that industry.

Of the 39 ex-Finance Ministry officials, 26 were posted to credit unions, six were employed by banks, four worked in the securities business, and two worked with loan corporations.

The Construction Ministry, which stopped sending officials to the construction industry in the wake of large-scale corruption scandals that highlighted shady ties between officials and general contractors in 1993, resumed taking posts for its retirees in 1995.

However, the four ex-officials taking up posts in the construction business were all dispatched to project planning companies and not to general contractors.

The Health and Welfare Ministry, which only recently accepted responsibility for failing to prevent pharmaceutical makers from marketing unsafe blood products, allowed one department head of the National Institute of Health to become a researcher at a pharmaceutical company.

Of the some 4,500 hemophiliacs in Japan, nearly 2,000 contracted the HIV virus from the unheated blood products. Some have already died from AIDS.

The posting was approved because the ex-official was not to assume an executive position.

Thirty-two of the 189 reemployed ex-officials had held positions above section chief in ministries or were the heads of central government institutions outside Tokyo when retiring.

The average retirement age was 55.2 years, slightly younger than in 1994 when the average retiree destined for further employment in the private sector was 55.7 years old.

In order to hedge against undue government influence in the business world, the National Public Service Law bans retiring officials for two years from taking up jobs with businesses that they have close ties in the five years before retirement.

In practice, employment within the two-year waiting period is, however, possible provided the national personnel authority gives its blessing to the posting.

Japan: Sato Says Election To Shape Future Administrative Framework

OW2503124196 Tokyo NIHON KEIZAI SHIMBUN in Japanese 25 Mar 96 Morning Edition p 2

[FBIS Translated Text] At the Social Democratic Party's Tokai and Kinki bloc conference in Kyoto on 24 March, SDP Secretary General Kanju Sato commented on the administrative framework after the next general election. "It may not right to think that the current framework, comprised of the Liberal Democratic Party, the SDP, and New Party Sakigake [Harbinger], is permanent. An administrative framework will be shaped by the results of the general election." With this, Sato indicated his view that the SDP will not necessarily stick to the current coalition framework.

Japan: Tokyo Announces Disaster Response Policy

OW2703081996 Tokyo KYODO in English 0803 GMT 27 Mar 96

[FBIS Transcribed Text] Tokyo, March 27 KYODO — Under a revised disaster prevention scheme, Tokyo residents are reminded of their personal responsibility for security and companies are required to conduct disaster training and store emergency provisions, the metropolitan government said Wednesday [27 March].

In the wake of the clogged streets that came after the earthquake which leveled the western Japanese port city of Kobe in January last year, the new plan provides for an increased use of helicopters in the case of a disaster.

It also envisions better cooperation with volunteer organizations, which played an important role in managing emergencies after the Kobe quake.

More than 6,000 people died in the temblor which devastated Kobe and its vicinity on Jan. 17, 1995.

A total of 230 locations have been selected as possible helicopter ports to airlift emergency supplies and injured people should streets become impassable due to an earthquake.

Firefighters will set up special "hyper rescue" units that are trained to carry out rescue operations and fight fires under difficult conditions and in cooperation with helicopter teams.

Under the new plan, a revision of a 1992 disaster plan, a comprehensive volunteer center will be set up to improve networking among such organizations and to register volunteers in the case of an emergency.

To ensure that people who do not understand Japanese are kept abreast of developments, an international volunteer center in charge of dispersing vital information will be created.

A total of 1,200 public land plots with an open space of more than 5,000 square meters will be listed as emergency evacuation areas.

North Korea

DPRK: Overseas Groups Urge U.S. To Respond to Peace Proposal

SK2503112596 Pyongyang KCNA in English 1056 GMT 25 Mar 96

[Spelling of names as received]

[FBIS Transcribed Text] Pyongyang, March 25 (KCNA) — World public are expressing support to the DPRK's proposal of establishing a new peace-keeping mechanism on the Korean peninsula.

Jesus Montane Oropesa, chairman of the Cuban Committee for Supporting Korea's Reunification, said in his recent solidarity letter to the Korea-Cuba Solidarity Committee that it is a just peace-promoting proposal which was put forward with the Military Armistice Commission, which was a supervisory tool for the implementation of the Korean Armistice Agreement, paralysed.

Herbert Steiner, chairman of the Society for the Promotion of the Relations Between Austria and the Democratic People's Republic of Korea, said in a solidarity letter to the Korea-Austria Friendship Association that they would energetically conduct various solidarity activities for the realization of Korea's new proposal.

The All India Agricultural Workers' Union said in a statement: We hope that the U.S. Government, though belatedly, will favorably respond to Korea's new peace proposal with a sincere stand.

The International Study Centre for Chuche-Oriented Mass Media in Nepal said in a statement that the United States, if it wants peace in Asia and the rest of the world, should accept the fair and aboveboard proposal of concluding a tentative agreement offered by the DPRK for peace. "We will watch the U.S. stand," the statement added.

The Karachi Branch of the Pakistan-Korea Friendship Association and the Pakistani Committee for Support to the Proposal of Founding the Democratic Confederal Republic of Koryo said in a joint statement:

Korea's is the most reasonable peace proposal which makes it possible to ease tension in the Korean peninsula, ensure a durable peace and, furthermore, accelerate the peaceful reunification of Korea.

The United States must affirmatively respond to this proposal at once.

DPRK Peace Proposal Supported by Foreign Political Figures

SK2603104696 Pyongyang KCNA in English 1025 GMT 26 Mar 96

[Spelling of names as received]

[FBIS Transcribed Text] Pyongyang, March 26 (KCNA) — The proposal of the Democratic People's Republic of Korea to establish a new peace mechanism was supported by foreign political figures.

First Secretary of the Central Committee of the Communist Party of Ukraine P.N. Simonenko in his message of solidarity said that the DPRK proposal for a tentative agreement to establish a new peace mechanism is a realistic one. He wished the Korean people success in their work to achieve the reunification of the country by means of confederacy.

National Chairman of the Workers' Party of Zaire Emile Kibala Bey a Nsien in a press statement said that the basic factor of the continued Cold War in the Korean peninsula is attributable to the anachronistic policy of the United States and that the United States should accede to the DPRK proposal to sign a realistic and reasonable tentative agreement for peace in the Korean peninsula.

Chairman of the Nepal Worker-Peasant Party Narayan Man Bijukchhe, when he met the Korean ambassador, said: The DPRK Government's proposal to sign a tentative agreement is a just and timely overture motivated by the intention to provide an institutional device at least to prevent armed conflict, remove the danger of war and ensure peace in the Korean peninsula.

DPRK Daily Denounces ROK "Hoguk-96" Military Exercise

SK2603150596 Pyongyang Korean Central Broadcasting Network in Korean 0854 GMT 26 Mar 96

[Commentary from 26 March NODONG SINMUN: "A Dangerous Fire Game Aimed at Northward Invasion"]

[FBIS Translated Text] We are making active efforts for peace within the country and for the peaceful reunification of the country by making this year a year of peace and great national unity and by putting forward a proposal for a tentative agreement between the DPRK and the United States for the establishment of a durable peace mechanism on the Korean peninsula.

The world is looking forward to the realization of our peace- loving measures and our efforts so that the danger of war on the Korean peninsula may disappear and a new phase of peace and peaceful reunification may be opened.

However, the South Korean puppets, running counter to the yearnings and aspirations of the people at home and abroad, continue to follow the road of confrontation and war.

The puppets are planning to conduct a large joint war exercise of the three services of their armed forces, which will be called "Hoguk 96," for six days beginning 28 March.

Our republic is the target of this war exercise, which will be participated in at an operational stage by two Army corps of the puppet ground forces and by numerous armed forces of the puppet Navy and Air Force throughout the central region at large, along the east and west coasts, and in the airspace.

On 22 March, the puppets, raving about the establishment of the so-called unified defense system in case of an emergency, conducted a war fire game called the joint training of the residents, the government, and the Army.

We cannot look with folded arms upon the puppets' reckless military action, their antinational, antipeace, and antireunification crime that gravely threatens peace on the Korean peninsula and leads the situation to the dangerous brink of war.

In our country, where the large armed forces of the North and South confront each other along the Military Demarcation Line [MDL], war exercises threaten peace in the country and the well-being of the nation, and could bring about an irreversible situation. This is all the more so under the conditions where the war fire game that the Kim Yong-sam ring conducts daily with outside forces assumes an extremely provocative nature.

We have repeatedly warned the Kim Yong-sam ring, urging it to stop the war exercise commotions that will bring about a grave national disaster. Nevertheless, the Kim Yong-sam puppet clique, unsatisfied with the war exercises for northward invasion that it conducts daily in the skies, on the land, and in the seas of South Korea, is now planning to conduct a large war fire game for northward invasion in the areas along the MDL. This is a grave challenge and provocation to us, and an intolerable mockery of the entire nation that yearns for peace and peaceful reunification.

The puppets are going crazy, impatient to start a war of northward invasion along with outside forces. It is not accidental that the traitor Kim Yong-sam and the fag ends [naburaengi] of the military often make powder-reeking outbursts, babbling about building up the combat capability and about establishing complete readiness. On the very day when the plan for the "Hoguk-96" exercise was announced, the traitor Kim Yong-sam advertised the nonexistent military threat from the North and instigated the anti-DPRK confrontation and war of northward invasion, raving about the establishment of the South Korea-U.S. joint alliance and complete readiness.

Trying to mislead the opinion of the people at home and abroad by the slanderous propaganda of a threat from someone, and attempting to justify their reckless war provocation maneuvers — these are the words and actions that can only be perpetrated by the warmongers who attempt to provoke a war of northward invasion.

We cannot but regard the actions of the puppets as intentional maneuvers to provoke a second Korean war.

The Kim Yong-sam ring is a ring of warmongers who ignore the country and the nation, and who are not interested in peace and peaceful reunification, but who seek only North-South confrontation and war. They are a most vicious enemy of peace and peaceful reunification. If this warmonger is left unremoved, the danger of war on the Korean peninsula cannot be eliminated.

We warn once again. The Kim Yong-sam ring should immediately stop the reckless maneuvers for the provocation of a war of northward invasion, which is comparable to the situation where a day-old puppy does not fear a tiger.

We are making consistent efforts for peace in the country and for peaceful reunification, and not because we fear war. It is our position and will to counter fire with fire. If the Kim Yong-sam ring dares to underestimate us and continues to dash along the road of North-South confrontation and war provocation, it will be held totally responsible for all the consequences arising therefrom and will pay a dear price.

DPRK: Military's Decision on Treatment of ROK Defectors Cited

SK2703083596 Pyongyang Radio Pyongyang in Korean to South Korea 0900 GMT 26 Mar 96

[Unattributed talk from the "Hour for Officers and Men of the South Korean Armed Forces" program — "Decision of the Military Commission on the Measures for Active Service Members of the Enemy's Military Who Defect to North Korea Individually or Collectively"]

[FBIS Translated Text] Today, the boundless admiration and respect for the great leader [yongdoja] General Kim Chong-il, who is glorifying the great leader [suryong] Generalissimo Kim Il-song's lofty intentions, and their yearning for the northern half of the Republic are increasing daily among the South Korean people. Amid this, the number of South Korean Army soldiers who have defected to the northern half of the Republic by deserting the puppet army continues to increase.

With a view to opening the road to a new, free, and happy life for the officers and men of the South Korean Army who defect to the northern half of the Republic, the decision of the Military Commission [kunsa wiwonhoe] stipulates the treatment of active service members of the enemy's military who defect to North Korea, either individually or collectively.

Those who defect to the bosom of DPRK while serving in the South Korean Army, they will not be questioned about their past. All their rights and freedoms as citizens of the Republic will be ensured.

Money will be offered to defectors to guarantee their living. For individual or collective acts that inflict damages against the enemy, those responsible will be given official commendations from the state according to the degree of merit.

When the defectors bring with them weapons and combat technology and equipment, or offer military secrets, appropriate prize money will be offered.

If the defectors want to study at school or engage in academic research, they will be allowed to enter relevant schools, universities, and research institutes to enable them to study there free of charges, with scholarships offered by the state.

When a defector wants a job, the job he seeks will be arranged. For those defectors who want to study abroad, all conveniences will be ensured so as to enable them to study overseas according to their ability and makings.

Housing and daily necessities will be provided free of charge to defectors, and all possible conveniences will be offered for their daily living.

In the event the defectors want to serve in the military, they will be promoted to higher ranks according to their merits, and will be assigned to the relevant service branch of the Korean People's Army.

The above provisions will be applied to the families whom the defectors bring along, as well as to the South Korean civilians who defect to the North.

When South Korean policemen and government officials defect to the North, they will not be questioned about their past, and the above mentioned articles will also apply to them.

DPRK Dailies Criticize Kim Yong-sam for 'Slandering' North

SK2703032396 Pyongyang KCNA in English 0310 GMT 27 Mar 96

["Papers Rap at Kim Yong-sam's Provocative Utterances" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 27 (KCNA) — The traitor Kim Yong-sam of South Korea on Monday cried for making preparations to rapidly and perfectly cope with the "military forward deployment" and "provocative threat" by the North. His bellicose utterances have come under strong criticism in the papers NODONG SINMUN and MINJU CHOSON today.

In a commentary NODONG SINMUN says:

The Kim Yong-sam group, which have deployed huge Armed Forces in forward areas near the Military Demarcation Line, remain biding their time to invade the North, while staging one large-scale military drill after another with outside forces in the sky and on the ground and sea almost every day.

Nevertheless, the traitor is charging the North with its "possible provocation." It is an act reminding one of a thief crying "stop thief" and an intolerable provocation against the North.

He has never opened his mouth without slandering the North with the allegation about the "threat." This is illustrative of his wicked and dangerous intention to evade public protest, emerge from the crisis and unleash a war against the North at any cost with the backing of outside forces.

But his anti-North propaganda and war hysterics are nothing but a last-ditch effort of those who are doomed to destruction.

It is really ridiculous that the traitor, who is only a colonial puppet with no power, dares pit himself against the North.

In a commentary MINJU CHOSON warns that if the traitor ignors the North's will of peace and persistently resorts to the false propaganda, confrontation and war preparations against the North, he will have to pay dearly for them.

DPRK: SKNDF Issues Slogans for Upcoming ROK Elections

SK2603024696 Pyongyang Radio Pyongyang in Korean to South Korea 0900 GMT 22 Mar 96

[From the "Hour for South Korean Youth and Students" program]

[FBIS Translated Text] The political situation in South Korean on the threshold of the puppet National Assembly elections is calling youth and students, who have always demonstrated indomitable courage in the struggle against injustice, to join the struggle to punish the traitorous Kim Yong-sam groups.

The wise and brave South Korean youth and students, who live for the truth and fight for justice, will more vigorously wage the struggle to overthrow the Kim Yong-sam puppet clique by firmly uniting with the people of all strata while raising the beacon of struggle, which has already been raised, even higher.

Appealing to the people of all strata to rise up in the struggle against Kim Yong-sam, the struggle against the New Korea Party [NKP], in connection with the puppet National Assembly elections to be held in April, the Central Committee of the South Korean National Democratic Front [SKNDF] issued recently the following slogans:

Let all the people wage the general election struggle to lead Kim Yong-sam and the NKP to destruction.

Fair election is impossible without the disclosure of the presidential election fund. Let us give legal punishment to Kim Yong-sam, accomplice of the slush fund scandal.

Do not be deceived by the tricky talk about rectifying history but imprison Kim Yong-sam, protector of the main culprit of the 18 May massacre.

The clean election raved about by Kim Yong-sam, the arch criminal of election rigging, is deceiving the people. Let us smash the election rigged with the power of money by the struggle of all the people to guard the elections.

Let us smash the NKP, a fascist party of thieves and a nation- selling divisive party.

Changing the party name cannot rid the party of its dishonor. Let us bring the NKP to justice.

Let us smash the intervention in the elections by the Agency for National Security Planning—the den of stratagem.

Let us wage the struggle for the abolition of the National Security Law and for the release of political prisoners in combination with the general election struggle.

Let us pass judgment on all the corrupt political parties and bring an end to the conservative politics and corrupt politics.

Let us remove all the stealing politicians who live on black money.

Do not vote for the NKP candidates but let them all lose the election.

Let us develop a new scene of democratic politics by revamping political circles.

Let us massively vote for new progressive candidates devoted to independence, democracy, and reunification to have them elected.

Let the democratic patriotic force seize initiative in the general election struggle and produce strong hot wind of anti-Kim Yong-sam mood.

The workers are not slaves fattening the civilian dictatorship. Let them play the leading role in the general election struggle imposing the dictatorial party a humiliating defeat.

Let the peasants plow over the civilian poisonous grass before they plow the fields.

Let the youths and students be the initial explosive for gouging out corruption and overthrowing the civilian dictatorship.

Let the poor urbanites solidify their foundation of life by supporting democratic candidates.

Let us impose humiliating defeat on the NKP which strangles the small- and medium-size industries in collusion with business conglomerates.

U.S. intervention in the election blocks democratization. Let us reject the U.S. interference in our internal affairs.

Let us smash the U.S. political manipulation that divides and demolishes the democratic force.

Let the anti-Kim Yong-sam and anti-NKP forces firmly unite in one and wage a daring general election struggle.

The mass democratic force should firmly unite and become victors in the general election struggle.

Let the masses of all strata vigorously advance toward independence, democracy, and reunification.

DPRK: Student Alliance Demands Release of Hanchongnyon Delegates

SK2503113096 Pyongyang KCNA in English 1051 GMT 25 Mar 96

[FBIS Transcribed Text] Pyongyang, March 25 (KCNA) — The North side headquarters of the National Alliance of Youth and Students for the Country's Reunification today made public a statement denouncing the Kim Yong-sam group's suppression of delegates Chong Min-chu and Yi Hye-chong of the South Korean Federation of University Student Councils (Hanchongnyon), who visited Pyongyang last year to participate in the Grand National Reunification Festival, as anti- reunification provocation and anti-national, anti-ethic act and demanding their immediate release.

The fascist act of the Kim Yong-sam group in demanding heavy penalties against them, "birds of reunification", is nothing else but a desperate effort of the traitors to the nation and anti- reunification elements and an open challenge and a declaration of war against "Hanchongnyon," an invincible, patriotic organisation, it noted, and went on:

The Kim Yong-sam group should look at the trend of the situation, release Chong and Yi at once and immediately repeal the "National Security Law," an evil law against reunification.

The youth and students in the North, the South and overseas will deal a sledge-hammer blow of justice at the Kim Yong-sam clique, a heinous traitor and despicable separatist, through a powerful joint struggle and save Chong and Yi from the fascist noose.

DPRK: Release of 'Pro-Reunification Patriots' Urged

SK2603110596 Pyongyang KCNA in English 1055 GMT 26 Mar 96

[FBIS Transcribed Text] Pyongyang, March 26 (KCNA) — The second meeting of the North side Measure Committee for the Release of Pro-Reunification Patriots of South Korea was held here today.

It was attended by members of the committee including its Chairperson Yo Yon-Ku, who is also Presidium member of the Central Committee of the Democratic Front for the Reunification of the Fatherland and vice-chairperson of the North side headquarters of the National Alliance for the Country's Reunification (Pomminnyon).

The meeting denounced the Kim Yong-sam group for persecuting Chairman Kang Hui-nam, Vice-Chairman Chon Chang-il and other officials of the South side headquarters of Pomminnyon and woman students Chong Min-chu and Yi Hye-chong of South Korea's Federation of University Student Councils, and discussed an action program to wage a more powerful struggle for the release of pro-reunification patriots of South Korea together with various organisations at home and abroad.

A letter to the arrested pro-reunification patriots of South Korea was adopted at the meeting.

The letter expressed the hope that they would be released at an early date so that the Seventh Pan-National Rally this year can be held as a grand joint ceremony of the nation, involving more pro-reunification patriots than the previous rallies did.

The North side committee will pool efforts with the pro-reunification patriotic forces of South Korea, overseas Koreans and peace-loving people around the world in the struggle against the Kim Yong-sam fascist regime and will fight it out until the unethical, anti-reunification "National Security Law" has been abolished and the arrested patriots have been released, the letter said.

It paid high tribute to all the arrested patriots in South Korea who courageously endure hardships for the future of the country, and expressed the belief that they would staunchly fight till the day of reunification.

DPRK Paper on Support for ROK Workers' 'Struggle'

SK2603104996 Pyongyang KCNA in English 1003 GMT 26 Mar 96

["S. Korean Workers' Just Struggle Supported" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 26 (KCNA) — The struggle of workers which is gaining momentum in South Korea recently is a just one for the right to existence and democracy, says MINJU CHOSON in a commentary today.

From the initial period of his assumption of office the traitor Kim Yong-sam tried to tighten tieup with big businesses in a bid to maintain power and make money and cried for the "share of pains" and put down the demands of workers for wage hike, their only source for existence, while creating an impression that he would grant "benefits" to them, the analyst says, and goes on:

It is only too natural that the South Korean workers driven to the edge of a precipice turn out as one in a struggle for the right to existence and democracy.

The traitor Kim Yong-sam, bitterly condemned by the people for his involvement in the "slush fund scandal", his defence of the "Fifth and Sixth Republics" dictators and his fascist suppression of the people, is trying to repress the spring struggle of workers for higher pay and stay longer in power. But, his is a foolish act.

DPRK: Cambodian Prime Minister on DPRK-Cambodia Ties

SK2503104596 Pyongyang KCNA in English 1011 GMT 25 Mar 96

[FBIS Transcribed Text] Pyongyang, March 25 (KCNA) — Chairman of the FUNCINPEC Party and first prime minister of the Royal Government of Cambodia Norodom Ranariddh referred to the friendly relations between the DPRK and Cambodia when he met a delegation of the Workers' Party of Korea [WPK] on March 21.

The delegation was participating in the Congress of the FUNCINPEC Party.

He said the participation of the WPK delegation in the congress of his party shows well how deep and intimate the special relations of friendship forged by his excellency the respected Generalissimo Kim Il-song, the great leader of the Korean people and a respected, intimate friend of the Cambodian people, and his majesty the respected King Norodom Sihanouk, the father of the Cambodian nation are.

He said:

"Our party's stand is steadfast.

"Our party will consistently maintain the line advanced by his majesty the king — the line of unshakably standing on the side of the Democratic People's Republic of Korea wisely led by his excellency Marshal Kim Chong-il, the great leader — and will fully support the fair programme for national reunification put forth by his excellency Generalissimo Kim Il-song, the father of the great Korean people."

The close brotherly intimacy between his excellency Generalissimo Kim Il-song and his majesty the king and the friendship and solidarity between the two parties, the two peoples and the two countries are being carried forward by Marshal Kim Chong-il and him, the successors to the great leaders of the two countries, Norodom Ranariddh said, adding:

"These special relations of friendship between the two countries forged by the great leaders are our excellent heritage.

"Our party will value the heritage and preserve it well and forever."

He hoped that the Korean people, the most intimate friend, would achieve greater success in the future under the wise leadership of His Excellency Kim Chong-il.

DPRK: French Delegation Arrives in Pyongyang

SK2603111196 Pyongyang KCNA in English 1031 GMT 26 Mar 96

[FBIS Transcribed Text] Pyongyang, March 26 (KCNA) — A French delegation headed by General Jeannou Lacaze [spelling of name ass received], president of the Union of Independentists of France and chairman of the Association for the Promotion of Relations Between Europe and the DPRK who is former chief of General Staff of the French Armed Forces, arrived here today to visit the DPRK at the invitation of the Korean Asia-Pacific Peace Committee.

DPRK WPK Sends Greetings to 26 Mar Movement of Uruguay

SK2603110096 Pyongyang KCNA in English 1034 GMT 26 Mar 96

[FBIS Transcribed Text] Pyongyang, March 26 (KCNA) — The Central Committee of the Workers' Party of Korea [WPK] on March 25 sent a message of greetings to the national leadership of the March 26 Movement of Uruguay on the occasion of the 25th foundation anniversary of the movement.

The message expressed the conviction that the friendly relations between the Workers' Party of Korea and the March 26 Movement of Uruguay sealed in the joint struggle for socialism and independence against imperialism will grow strong and develop in the future, too.

It wished the movement greater success in its activities for the building of an independent mass movement.

DPRK Papers Mark Anniversary of Bangladesh Independence

SK2603105196 Pyongyang KCNA in English 1022 GMT 26 Mar 96

["25th Bangladeshi Independence Day Observed" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 26 (KCNA) — Papers here today say that the Korean people extend warm felicitations to the Bangladeshi people on the occasion of the 25th anniversary of the independence of their country.

Ever since the independence of Bangladesh the people have worked hard to build a new life and gained many successes, NODONG SINMUN in an article says, and continues:

The Bangladeshi Government is pursuing an external policy of non- alignment, making great efforts to upgrade friendship with developing countries.

The relations of friendship and cooperation between the two peoples of Korea and Bangladesh are daily developing in the struggle for the building of an independent, new society.

MINJU CHOSON says that the Korean people believe that the Korea- Bangladesh friendly relations will further expand and develop in the future, and wish the Bangladeshi people fresh success in their efforts for the nation's prosperity and development.

DPRK Poll: Kim Chong-il Desired as Leader of Reunified Korea

SK2503111896 Pyongyang KCNA in English 1006 GMT 25 Mar 96

[FBIS Transcribed Text] Pyongyang, March 25 (KCNA) — The Patriotic Youth Society for Reunification conducted an opinion poll on "what is your wish" around last February 16, with 500 people from all walks of life. The poll return is that the desire of all pollees is to have the great General Kim Chong-il as the leader of a reunified country, the Seoul-based radio Voice of National Salvation said.

Chong Chin-sok, a university student in Seoul, said:

"It is attributable to the outstanding political leadership ability of General Kim Chong-il that the North is now being praised as a power of politics in the world.

"He is a prominent leader fully possessed of the noble political idea 'the people are my god', distinguished leadership ability and noble personality.

"We want, and struggle for, reunification so as to acclaim him as the leader of a reunified country at an early date and honor our fatherland as a strong country."

Yi Song-il, a pressman in Seoul, said General Kim Chong-il is an outstanding leader who turns misfortune to blessing and adversity to a favourable condition.

He added:

"It is only General Kim Chong-il who will achieve national prosperity while defending the independent dignity of the reunified country in the present international political situation in which scrambles are taking place among nations and countries.

"The wish of the fellow countrymen is to hold him as the leader of the reunified country."

Choe Su-il, a company worker of the Kuro Industrial Zone in Seoul, had this to say:

"I, being told about the present situation of the North where people-centred politics has been shaped, felt that

General Kim Chong-il is a great man who will lead the future of the reunified country.

"Our best wish is to have the general as the leader of the reunified country and lead a happy life under his politics centred on the masses."

DPRK: Chongnyon Committees Discuss Kim Chong-il Letter

SK2503113396 Pyongyang KCNA in English 1058 GMT 25 Mar 96

[FBIS Transcribed Text] Tokyo, March 23 [date as received] (KNS- KCNA) — Meetings of the Executive Committees of all headquarters under the General Association of Korean Residents in Japan (Chongnyon) were held to put into effect the tasks set out in the historic letter of the great leader Marshal Kim Chong-il marking the 40th anniversary of the formation of Chongnyon and the decision of the 2nd enlarged session of the 17th Central Committee of Chongnyon to be true to the letter.

The 2nd enlarged session of the 17th Executive Committee of the Tokyo Metropolitan Headquarters of Chongnyon was held on March 16.

Pae Pyong-tu, vice-chairman of the Central Standing Committee of Chongnyon and chairman of the Tokyo Metropolitan Headquarters, in his report laid stress on making united efforts to educate and lead broad segments of compatriots including the new generation.

DPRK: Reverence for Kim Il-song Throughout World Noted

SK2603103696 Pyongyang KCNA in English 1014 GMT 26 Mar 96

["President Kim Il-song Lives in Heart of Humanity" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 26 (KCNA) — The great leader President Kim Il-song was in his lifetime and is still boundlessly respected and revered by the world's progressives for his great idea, theory, outstanding leadership ability, noble virtues and immortal revolutionary feats.

The great leader Comrade Kim Chong-il said:

"The respected Comrade Kim Il-song is the great leader whom not only our people but also revolutionary people around the world respect and follow."

Last year functions praying for the eternal life of President Kim Il-song were held in over 100 countries and by more than 100 political parties of the world on the occasion of the fifteenth of April, his birthday.

Delegates of trade unions of 20 odd countries including Cuba, Brazil and India and of the International Organisation of Trade Unions who attended the 45th Congress of the French General Confederation of Labour held in Paris in December last year, decided to set the days from April 15 to July 8 every year as a "period of recollecting the great life of the respected Comrade Kim Il-song" and published a joint declaration on this.

The desire of the world's people for immortality of the president could be found in the fact that highest orders and honorary titles were awarded to him in different countries.

The highest order of the Socialist Progressive Party of Lebanon, the Order First Class of the Organization of Socialists in the Mediterranean, the Chief Tancy Title of Sun Light, 1 of Nigeria were awarded to the president.

In Peru, he was awarded honorary citizenships, medals and keys from eight cities and districts including Independencia and Pisac cities, the title of Honorary Doctor of Pedagogy from Chiclayo University and the title of Honorary Professor from Daniel Alcides Carrion National University in Cero de Pasco City.

The Mexican Fellowship Union to Honor the Memory of President Kim Il-song instituted a badge of President Kim Il-song to honor his memory while the Bolivar Organisation of Volunteers of Peru awarded an honorary Friendship Medal to him.

His portraits were hung at buildings of above 20 political parties and organizations and schools in ten odd countries including Mongolia, Cuba and Pakistan.

At the ceremony of hanging the portrait of President Kim Il-song held at the headquarters of the Communist Party of India [CPI], General Secretary of the National Council of the Party Indrajit Gupta [spelling of name as received] said:

The CPI members will always be encouraged by the portrait of President Kim Il-song in the struggle for building communism, an ideal society of humankind.

His famous works and reminiscences "With the Century" were published in foreign languages in some 10 countries including Russia, Cambodia, Yugoslavia and Japan. And news media of many countries have reported his works, biography and revolutionary exploits.

Meanwhile, noted writers, artistes and different figures of the world published books of 20 odd kinds such as collection of poems, photographs and picture albums in a matter of one year, reflecting the aspiration and desire of humanity to hand down the greatness of President Kim Il-song for all ages.

Among them are a collection of poems "Song of Comrade Kim Il- song" (Yugoslavia), a book "Kim Il-song, Legend of Korea" (Poland) and a picture album "President Kim Il-song Is Immortal" (Pakistan).

Those books profoundly describe the immortal feats performed by President Kim Il-song for the Korean revolution and for global independence. Carried in them are also the reverence and desire of the progressive people to hold him in high esteem as the eternal leader for all ages.

DPRK: Different Sectors of Economy Fulfill Quarterly Plans

SK2603105896 Pyongyang KCNA in English 1006 GMT 26 Mar 96

[FBIS Transcribed Text] Pyongyang, March 26 (KCNA) — Different sectors of the national economy in Korea have carried out their first quarterly plans one after another.

The Unpa Coal Mine fulfilled its first quarterly plan, which was set 1.2 times over last year, at 110 percent as of the end of February.

The Pungnyon Mine carried out its plan for phosphor concentrated ore production at 102.5 percent as of February 14.

The Taedonggang General Hydro-Electric Power Enterprise finished its plan, which was set 2.2 times over last year, as of March 20.

The first quarterly plans were fulfilled more than 40 days ahead of the schedule by the Kaesong Insam Processing Factory, the Sinam Food Factory, the Kyongsong Export Fishery Station and the Nochang Export Fishery Station.

The plans were also carried out by the Mangyongdae, Nagwon and other garment companies under the Ponghwa General Bureau and the Samsu and many other timber stations.

DPRK: 3 Aug Consumer Goods Production Movement Viewed

SK2503112496 Pyongyang KCNA in English 1001 GMT 25 Mar 96

[FBIS Transcribed Text] Pyongyang, March 25 (KCNA) — The August 3 Consumer Goods Production Movement has been powerfully conducted in Korea.

Hundreds of consumer goods production bases have been built and the output value increased 20 percent in the last two months or so as against the same period last year.

In the last 10 odd years of the movement consumer goods production bases increased to more than 48,000 and the number of producers to some 600,000 and the trade turnover quadrupled, taking the country as a whole.

The movement began in 1984 in Korea.

The great leader Comrade Kim Chong-il inspected a Pyongyang Municipal Light Industrial Goods Exhibition on August 3, 1984. At that time he put forward highly important tasks to make an effective use of reserves and produce various kinds of daily necessities suited to the aesthetic tastes of the times and the people in a mass movement.

All the people turned out in a mass movement for the production of consumer goods under his guidance.

In the first year of the movement some 700 workshops and workteams for the production of the August 3 consumer goods were built at factories and enterprises across the country. The output of consumer goods went up to 40 percent in the first sixth months of the movement. It increased five times after two years.

The well-knit August 3 consumer goods production system and firm production bases built throughout the country have been a firm foundation for steadily increasing the consumer goods production.

There are thousands of August 3 Consumer Goods Production Units in Pyongyang.

Over the last ten years the city increased the variety of consumer goods 20 times.

DPRK: Anniversary of General Publication Bureau Marked

SK2703033096 Pyongyang KCNA in English 0257 GMT 27 Mar 96

[FBIS Transcribed Text] Pyongyang, March 27 (KCNA) — A meeting was held here on Tuesday to mark the 50th anniversary of the foundation of the General Publication Bureau.

The great leader President Kim Il-song founded the General Publication Bureau, the state body guiding the printing and distribution of publications, on March 26, 1946, on the basis of the precious tradition of the press he created in the period of the anti-Japanese revolutionary struggle.

The bureau firmly defended President Kim Il-song and the Workers' Party of Korea politically and ideologically in each stage and period of the revolution and construction and greatly contributed to arming the party members and working people with the chuche idea, the party's revolutionary idea, and accelerating the revolution and construction.

In its congratulatory message the Central Committee of the Workers' Party of Korea highly appreciated the great achievements the officials of the bureau have made in publication, printing and distribution over the past 50 years, with intense loyalty to the party and the leader.

The message expressed the firm belief that the officials of the bureau would effect continued innovation in implementing the party's policy of publication, printing and distribution, upholding the red flag of the revolution, rallied as one in mind around the great leader Comrade Kim Chong-il, and thus creditably live up to the deep trust and expectation of the party.

Addressing the meeting, Yi Pong-su, director general of the bureau, said the respected General Kim Chong-il put forward the unique idea on publication and has led the work for its materialization so wisely that the publication system of our own peculiar style, a modern printing base and the best and advanced system of distributing publications could be established.

He said all the officials should devote all their wisdom and energies to publishing and distributing more and better publications and materials for education including immortal classical works of President Kim Il-song and General Kim Chong-il and books on their greatness.

A letter of pledge to Comrade Kim Chong-il was adopted at the meeting.

DPRK Agricultural Workers Union Holds Meeting 24 Mar

SK2603021296 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 24 Mar 96

[FBIS Translated Text] A national meeting of the explanatory lecturers of the Union of Agricultural Working People of Korea [UAWPK] was held in Pyongyang today. Comrade Kim Chung-nin, secretary of the Workers Party of Korea Central Committee; other functionaries concerned; and explanatory lecturers of the UAWPK, were on hand at the meeting.

Discussions were held on the tasks of the explanatory lecturers of the UAWPK to encourage and promote all agricultural workers to implement the party's policy that agriculture is best and bring about a decisive turning point in this year's agricultural production with the awareness that they are the masters responsible for the country's food by vigorously carrying out the ideological and indoctrination work in accordance with the party's intention.

A report was made by (Kim Myong-chol), vice chairman of the UAWPK Central Committee, and then discussions were held.

The reporter and participants in the discussions talked about the results and experiences accomplished by the explanatory lecturers of the UAWPK of each regions in the propaganda and agitation work to vigorously call the agricultural workers in preparing for this year's farming season by highly upholding the party's militant appeal calling for the new year's general march.

They talked about how the agricultural workers should actively launch into the struggle to implement the party's policy that agriculture is best by concentratedly organizing and promoting explanatory lecturers, through various propaganda materials on the explanatory lecturers of the UAWPK of South Pyongan Province and Nampo who are vigorously manifesting the spirit of socialist Korea by highly upholding the red flag and the joint editorial of the party organ, military organ, and youth organ.

Then, they consistently emphasized that such accomplishments are the results of the great leader [widaehan yongdoja] Comrade Kim Chong-il who elucidated in detail and wisely led the ways and methods to vigorously carry out propaganda and agitation activities in accordance with the demand of the developing reality.

The reporter and debaters said that now the explanatory lecturers of the UAWPK are faced with the honorable and heavy tasks to carry out the propaganda and agitation work in a fresher and more militant way than ever before so that all agricultural workers can bring about a decisive turning point in this year's grain production by deeply bearing in mind the spirit of the arduous march and the spirit of the red flag.

A pledge of resolution was adopted at the meeting.

DPRK Daily: Revolutionary Outlook Urges Living for Tomorrow

SK2603104596 Pyongyang KCNA in English 1019 GMT 26 Mar 96

["Revolutionary Outlook on Life Calling For Living for Tomorrow" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 26 (KCNA) — NODONG SINMUN today carries a signed article headlined "Revolutionary Outlook on Life Calling For Living for Tomorrow".

The article quotes the great leader Comrade Kim Chong-il as saying:

"'Live for tomorrow, not for today.' This is my outlook on life. This means that man should live with a preparedness to devote his life to the future of the country and the eternal happiness of posterity, even though he does not live in happiness."

The article further says:

The outlook on life made clear by Comrade Kim Chong-il enables the people to live a most worthy life. A life for tomorrow is, in essence, different from a life for today. The latter is an ephemeral life in the true sense of the word. It is based on the individualist outlook on life. The former is the collectivist outlook on life, which makes it possible to devote all to the country and people. This places the revolutionary outlook on life on the highest level; it is a maxim of life and struggle.

To begin with, this revolutionary outlook on life is a basic source which enables the revolutionaries to fight for the purpose and idea of the noblest life.

The chuche-based outlook on life calling for living for tomorrow, not for today is consistent with the lofty idea that the purpose and idea of the revolutionaries for life should be a devoted struggle for the future of the country and the eternal happiness of posterity.

Next, the revolutionary outlook on life is an eternal life-giving water which enables the revolutionaries of chuche type to find the worth of life in the struggle for the future of the country and the eternal happiness of posterity and to fight it out.

This outlook calls upon the revolutionaries to find a worthy life in the struggle for society and collective, that is, struggle for the future of the revolution.

Only when they are imbued with such outlook on life can the revolutionaries find a worthy life in the struggle for the bright future and defend and add lustre to their dignity and honor.

South Korea

ROK, U.S. Agree To Promote Combined Defense Capability

SK2703010496 Seoul KBS-1 Radio Network in Korean 0000 GMT 27 Mar 96

[By reporter Yi Hyon-chu from Washington]

[FBIS Translated Text] Anticipating a crisis situation in North Korea sometime in July or August, the ROK and the United States have decided to promote combined ROK-U.S. defense capability in the event of an emergency.

ROK Foreign Minister Kong No-myong, who is visiting the United States, held talks with U.S. Secretary of State Christopher at dawn today, local time, and agreed that a crisis was forthcoming in July or August, when North Korea's food shortage is expected to reach a climax. The two foreign ministers agreed that to deal with this matter, U.S. Defense Secretary Perry will visit the ROK on 15 April and hold detailed consultations to promote ROK-U.S. combined defense capability in the event of an emergency.

ROK: Kong on DPRK Missiles, U.S. Contributions to KEDO

SK2703074796 Seoul KBS-1 Radio Network in Korean 0600 GMT 27 Mar 96

[Report by correspondent Cho Sun-yong from Washington]

[FBIS Translated Text] Foreign Minister Kong No-myong, now on a visit to the United States, said the question of North Korean missiles should be urgently discussed to ensure security on the Korean peninsula.

In a news conference held today by ROK correspondents based in Washington, Foreign Minister Kong pointed out that North Korea placed Japan, not to mention all of the Korean peninsula, within missile range. Thus, he stressed that the question of North Korean missiles should be dealt with from the standpoint of security on the Korean peninsula.

Concerning the issue of the Korean Peninsula Energy Development Organization [KEDO], Foreign Minister Kong said the United States intends to shoulder a total of $65 million by next year. However, he demanded that the United States increase its additional expenses as a symbolic significance of its contributions to the light-water reactor project.

ROK: Kong Views DPRK Missile Control Talks With U.S.

SK2703090596 Seoul YONHAP in English 0858 GMT 27 Mar 96

[FBIS Transcribed Text] Washington, March 26 (YONHAP) — The issue of North Korean missiles is as important a problem that has to be resolved to guarantee the security of the Korean peninsula as the North's nuclear development program, visiting South Korean Foreign Minister Kong No-myong said Tuesday [26 March].

Kong made the remarks to the South Korean press corps here Tuesday evening, noting that the South only has Nike-Hercules anti- air missiles with a range of 180 kilometers while North Korea has missiles that can reach anywhere on the Korean peninsula and as far as Osaka, Japan.

Kong met the press following his meeting with U.S. Secretary of State Warren Christopher.

"In this context," Kong said, "The talks between Washington and Pyongyang on North Korea's missile exports are of great significance."

When and where to hold the talks will take place has not yet been determined, according to Kong.

Relations between the United States and North Korea are evolving within the scope of the nuclear framework agreement reached in Geneva in 1994. The North is expected to address the missile issue in talks with the United States on normalizing their relations, Kong said.

Among issues pending between the two countries are the repatriation of the remains of American soldiers killed in action during the 1950-53 Korean war, the North's missiles, easing U.S. economic sanctions against the reclusive communist country, and the light-water reactor project in the North.

These issues will be discussed between Washington and Pyongyang on the basis of close and essential consultations between Seoul and Washington, Kong said.

Inter-Korean dialogue aimed at resolving the Korean problems is a basic prerequisite for normalized Washington-Pyongyang relations, he said.

"Since South and North Korea are militarily confronting each other across the Demilitarized Zone, they are the only two entities to be reckoned with on the peninsula, the only parties directly concerned with the Korean issues. Therefore, Korean problems are not for other countries to take care of," he said.

North Korea has called for a resolution of the Korean problems by the parties involved but its actions do not seem to match its words, Kong maintained. To support his argument, Kong pointed out that on Feb. 20 Pyongyang proposed a tentative peace agreement with the United States that excluded South Korea, and reiterated the proposal march 18 in a memorandum from the Ministry of People's Armed Forces.

Touching on contacts between the United States and North Korea, Kong said that although inter-Korean dialogue is a prerequisite, "flexibility" should be exercised depending on the issues involved. "We must see the forest as well as the trees," he added.

Asked about the ways of encouraging the North to come forward for dialogue that he discussed with Christopher, Kong declined to elaborate.

Touching on the issue of the Korean Peninsula Energy Development Organization (KEDO), Kong said that the United States has spent 40 million dollars so far and allocates 25 million dollars in the fiscal 1997 budget proposal. Kong said that he had asked the U.S. administration to set aside more money for the project.

ROK Not To 'Meddle' in DPRK-U.S. Missile Negotiations

SK2603114796 Seoul MUNHWA ILBO in Korean 26 Mar 96 p 1

[Report by Washington-based correspondent Yi Pyong-chun]

[FBIS Translated Text] It was learned on 26 March that the ROK Government has decided not to convey its demands to the North Korea- U.S. negotiations on the North Korean missile issue, which are slated for mid-April following the 11 April general election, and for the time being will just watch the development of the negotiations.

Based on this position, Foreign Minister Kong No-myong will hold a series of talks on 27 March (26 March Washington time) with U.S. officials in charge of diplomatic and security affairs—Secretary of State Warren Christopher, White House National Security Adviser Anthony Lake, and Secretary of Defense William Perry—to discuss ROK-U.S. cooperation in developing policies toward North Korea.

A government authority accompanying Minister Kong on his visit to the United States, said: "Our government's position is that, because North Korea-U.S. negotiations on the missile issue basically originates from the U.S. interest to bind all missiles in the world to the Missile Technology Control Regime, we do not have to meddle in the negotiations to shoulder unnecessary burden." The authority continued: "The government will cope with this issue based on the principled position that it should be resolved harmoniously and simultaneously with the improvement of South-North relations."

The authority stressed: "We must not repeat the precedent of shouldering most of the huge costs for supplying light-water reactors to North Korea because we sensitively reacted to the nuclear talks that the United States held with North Korea to maintain the Nuclear Nonproliferation Treaty system."

The authority said that "because the North Korean missile issue directly concerns our security, we hope North Korea-U.S. missile negotiations will also cover the control of missile production and deployment," adding: "However, it appears the negotiations will focus on the control of missile exports alone, so there is no room for us to meddle in."

The authority added: "When full-fledged missile negotiations are held between North Korea and the United

States, the government will seek ways to adjust the imbalance of missile development and stockpile between South and North Korea. However, it has no concrete policy on this yet."

According to the government authority, North Korea and the United States have agreed in principle to hold talks on North Korea's missile exports in mid-April, and are now holding final negotiations on the venue and agenda items of the talks. The sides originally considered Europe as the venue, but it is highly probable the talks will be held in New York or Kuala Lumpur of Malaysia because North Korea has asked so.

ROK: Kong Said To Agree to U.S. Easing of Sanctions on DPRK

SK2703011396 Seoul YONHAP in English
0047 GMT 27 Mar 96

[FBIS Transcribed Text] Washington, March 26 (YONHAP) — A tripartite assistant ministerial-level meeting of South Korea, the United States and Japan will be held in Seoul May 13-14 to coordinate policies toward North Korea.

Another similar meeting is going to be held in July to discuss how to cope with a probable food crisis in the North in July and August and the issue of opening liaison offices in Washington and Pyongyang.

These agreements were reached Tuesday afternoon between visiting Foreign Minister Kong No-myong and U.S. Secretary of State Warren Christopher.

It was reportedly reaffirmed at the meeting that the two countries will maintain close coordination prior to contact between the United States and North Korea involving the establishment of liaison offices, repatriation of the remains of American soldiers killed in action during the Korean war and the North's missile exports.

Negotiations on the exchange of liaison offices are expected to resume in April.

Kong agreed to accept U.S.-North Korea negotiations concerning the North's missile exports and the repatriation of U.S. soldiers' remains without linking them to inter-Korean dialogue, diplomatic sources said.

Kong was said to have given the nod to the U.S. administration's policy to ease economic sanctions against Pyongyang to keep the latter from exporting missiles and inducing it to come forward for dialogue.

The policy calls for easing banned assistance to countries violating the nuclear nonproliferation treaty, removing restricted issuance of traveler's checks to Americans visiting the North, and permitting American vessels to stop in North Korean ports, according to the sources.

ROK Official: DPRK Said Executing Illegal Grain Dealers

SK2703112996 Seoul KBS-1 Radio Network
in Korean 1010 GMT 27 Mar 96

[Report by Pak Un-kyu]

[FBIS Translated Text] A ranking ROK Government official stated: Estimating that the amount of black-marketed grain totalled 1 million tonnes, the North Korean authorities are taking extremely strong measures against grain smugglers and those who refuse to give up the allocated toll of grain, measures that include execution by shooting. In November 1995, North Korea proclaimed a decree forbidding illegal grain transactions.

The official stated: North Korea has recently formed a new organization to collect grain, and is promoting grain collection from residents in exchange for preferential goods, such as goods displayed in shops that deal with foreign currency or goods stored in customs warehouses. As a result, the food problem suffered by ordinary people is still aggravated.

The official continued: Meanwhile, in order to cope with possible food riots, the North Korean authorities provide 100 percent food support to those circles in charge of protecting the system, such as the Army and the Security Department.

The official added: While inactive in solving the food problems and restoring flood damage, the North Korean authorities have invested $350 million in building structures to idolize Kim Il-song and his son Kim Chong-il, such as the Kumsusan Memorial Palace, the Monument to the Party Founding, and a basement Kim Chong-il Museum on Mt. Myohyang. In conclusion, it is believed the North Korean authorities leave the people's food shortages as they are.

ROK: DPRK 'Stockpiling' Food for Kim's Power Succession

SK2703063596 Seoul KBS-1 Radio Network
in Korean 0400 GMT 27 Mar 96

[FBIS Translated Text] Claims are being made that North Korea is stockpiling rice for Kim Chong-il's power succession slated for late this year. According to remarks made by a government official recently, the North Korean authorities are collecting large amounts of food from the people. Furthermore, it has been confirmed that North Korea is making active efforts to obtain food by even collecting goods preferred by the people, such as confiscated goods from customs, and exchanging them for food.

This government official revealed that North Koreans' food shortage has worsened even more lately due to the large-scale food collection. He also revealed that it seems that this is being done to improve the morale for Kim Chong-il's power succession by handing out food to people when he succeeds to power late this year.

ROK: Defecting Couple Describes DPRK Economic Conditions

SK2703033596 Seoul YONHAP in English 0321 GMT 27 Mar 96

[FBIS Transcribed Text] Seoul, March 27 (YONHAP) — A considerable number of factories in North Korea are not in operation due to an extreme shoratage of raw materials and electric power, a North Korean defector said Wednesday.

He said that the North's economic situation is so difficult that even smeltery and textile factories there must have either been suspended or stopped completely recently.

Choe Se-ung, 35, and his wife, Sin Yong-hi, 35, who defected to South Korea last December together with their two children, revealed the difficult economic situation in North Korea during a news conference at the Korea Press Center in downtown Seoul.

Choe disclosed that he heard of the worsening economic situation at home from a North Korean bank employee posted in Europe. The bank official, he said, quoted a North Korean high-ranking official as having said that North Korea would have to face "very difficult" economic situation in January this year stemming from the worsening shortage of raw materials and electric power. The North Korean official was touring European countries at the end of November, according to Choe.

"When I visited North Korea last April, I heard a senior official supervising smelting plants in Nampo and Munpyong saying the operation of these refineries was stopped due to a power shortage," Choe said.

"I also heard from a reporter of the North's State Administration Council revealing that only five spinning machines out of 200 at the Pyongyang Textile Factory were in operation due to shortages of raw materials and electric power," according to Choe.

On the flood damage in North Korea last year, Choe said that, in late August last year, the North Korean mission at the International Maritime Organization (IMO) in London received instructions from Pyongyang to publicize North Korea's severe flood damages all over the world in a bid to secure as much relief funds as possible.

Under these instructions, the IMO mission contacted the International Red Cross and other world relief organizations to launch a global campaign to raise relief funds for flood victims, he added.

North Korea's de facto leader Kim Chong-il is collecting a huge slush fund for his exclusive use, receiving 60 to 70 million U.S. dollars annually in donations or so-called "allegiance money" from government and party organizations at all levels, Choe also said.

Kim has a special office of secretaries that purchases goods for his personal use and manages his secret fund, he revealed.

"I have once been told by this office to buy a luxury English yacht for him," he said.

Choe said that the external trade officer of the Ministry of People's Armed Forces asked him last March to sell 2.5 tons of opium that the ministry holds but he refused.

Under his late father's directive, Kim Chong-il set up an Economic Policy Inspection Office in the party, integrating party's offices having similar functions. In 1992 Kim Il-song instructed all overseas North Korean trade offices to foster "red capitalists" armed with communist ideology. This paved the way for North Korea setting up more trade offices and joint ventures in foreign countries, he explained.

The North Korean military began an education program to praise Kim Chong-il's sister, Kyong-hi, last March. Rumors among military officers speculated that the de facto leader's sibling would be appointed to a very high post upon her brother's formal ascension to power.

Referring to Kim Chong-il's private life, Choe said, "when 'kibbeum-jo (pleasure troupe)' members get old enough to get married, Kim Chong-il's secretariat, to prevent Kim's secrets from being leaked, arrange for them to marry the sons of party leaders or cadres of the party headquarters. Upon their wedding, Kim not only presents special gifts to the bride, but also accords lots of favors to the groom."

The "pleasure troupe" denotes a team of female entertainers who cater to Kim Chong-il and the party leadership.

Choe's wife, Sin Yong-hi, meanwhile, said that the entire membership of the North Korean art troupe that performed in Seoul in September 1985 had been billeted in a place for 10 days for education in, among others, table manners and bedding.

"Even those members of the Mansudae Art Troupe who had been experienced in overseas performances were extremely anxious about the possibility of committing errors in performances in Seoul," she recalled.

The eldest son of Choe Hui-pyok, former finance and accounting director of the ruling Workers' Party, Choe majored in the German language at Pyongyang Foreign Language Institute and German literature at Kim Il-song University. He had served as president of a North Korea-Britain joint venture located in London, "Development and Investment Co., Ltd." since 1990.

After graduating from Nampo Arts Institute, Sin worked as a dancer for Pibada Opera Co. and Mansudae Art Troupe.

ROK: DPRK Decides To Allow Japanese Tourists in Apr

SK2703020496 Seoul YONHAP in English 0106 GMT 27 Mar 96

[FBIS Transcribed Text] Tokyo, March 27 (YONHAP) — North Korea will allow Japanese tourists into the country beginning in April, after having suspended the entry of such travelers last May, business sources here said Wednesday.

A Japanese travel agency managed by a pro-Pyongyang Korean resident recently began to assemble tourists for a vacation package that includes visits to the North Korean cities of Pyongyang and Kaesong and Keumkang, Paekdu and Myohyang mountains.

Such travelers may also visit the Najin-Sonbong free trade zone, sources added.

ROK Plans To Ignore Japanese Coalition's EEZ 'Threat'

SK2703024296 Seoul THE KOREA HERALD in English 27 Mar 96 p 2

[FBIS Transcribed Text] South Korea plans to ignore a threat from a coalition of Japanese political parties to push for an exclusive economic zone (EEZ) on their own if the Japanese government fails to conclude fishery talks with Seoul and Beijing within a year.

A recent report from Tokyo said the coalition of three Japanese parties have agreed to urge the cabinet to unilaterally adopt a 200- nautical-mile EEZ if talks on revising fishery pacts with South Korea and China reached no agreement within a year.

"You don't sit down at a negotiating table alone. You have to have a partner. We would not be affected by such a unilateral move," a South Korean Foreign Ministry official said yesterday.

Another ministry official said he views the Japanese coalition's demand for an early settlement of the planned fisheries talks as an indication that Japan would focus on working out measures of improvement based on existing fishery accords with neighboring countries.

The ministry officials made the remarks when they commented on the bills related to implementing the U.N. Convention on the Law of the Sea, which the Japanese cabinet was scheduled to submit later in the day to the parliament for approval during its current session.

They saw no controversial provisions in the Japanese bills, saying Japan seemed to have tried to match the content of the bills to the U.N. convention.

Japan's proposed law on EEZ establishment stipulates that the border with an EEZ of a foreign country be drawn along the center line or one agreed upon with a foreign country.

South Korea has also drawn up its law on establishing the exclusive zone, which Foreign Ministry officials say will be submitted to the first National Assembly session after the April 11 general elections.

A ministry official said it is now difficult to predict when the two countries will undertake negotiations on drawing the border line of their exclusive economic zones.

An EEZ law usually has a several month moratorium period for its enforcement after its formal announcement, he said.

The official said, however, South Korea and Japan will hold fishery talks attended by low-level government officials and private experts this month.

The talks will be followed by negotiations between government officials on revising a bilateral fishery agreement as early as mid- April, he said.

When to start the talks on the EEZ borderline will also be affected by progress in talks on revising the fishery accord, he said.

ROK: Memoirs of Military Academy Class Used in Chon Trial

SK2603055996 Seoul YONHAP in English 0238 GMT 26 Mar 96

[FBIS Transcribed Text] Seoul, March 26 (YONHAP) — In the third trial session of former presidents Chon Tu-hwan and No Tae-u and their cronies on mutiny and treason charges Monday, the prosecution produced a rare book, entitled "Testimony of Old Soldiers," as testimony supporting the charges.

It was a collection of memoirs privately published in 1988 by alumni of the Korean Military Academy (KMA) who graduated in the eighth class a few years before the Korean war broke out in 1950.

Of particular interest is the four-page essay, "The Lessons of the Dec. 12 Incident as Learned by 8th Class Cadets," written by Lt. Gen. Yi Chae-chon, Ret., who served as deputy operations director of the presidential security service when Chon, No and their subordinate officers launched a mutiny in December 1979.

In the essay, Yi called the Dec. 12 incident a coup d'etat staged by Chon and his cronies in the defense security command and Hana-hoe that resulted in the illegal arrest of his direct superior Army Chief of Staff Gen. Chong Sung-hwa without President Choe Kyu-ha's consent.

He stressed that this is a commonly held view of among eighth- class KMA graduates.

When President Pak Chong-hui was slain Oct. 26, 1979, Chon and other politically-oriented soldiers, took advantage of the resulting power vacuum to first take control of the army and the government, Yi recalled.

Coup leaders were 11th class KMA graduates who were too young to fight in the Korean war. They drove senior officers seasoned by Korean war battle experience from the army weakening its combat capability and debasing the army's honor and prestige, Yi said.

These junior officers destroyed the army's chain of command to invite a situation in which both people and property were exposed to danger, thus denying the army's raison d'etre, he added.

Noting that a few eighth class graduates took part in the mutiny, Yi said the eighth class should first examine its own conduct before criticizing 11th-class graduates, including Chon and No, who masterminded the mutiny.

Although he did not directly refer to Cha Kyu-hon, who was the only eighth class participant in the so-called Kyongbok Palace meeting of coup leaders, Yi said such behavior motivated by a personal desire for fame and wealth set a "bad example" for junior officers.

The government should expose the whole truth about the unfortunate incident and punish all those responsible so that such an incident can never happen again, he stressed.

ROK: Prosecution Probe Into President's Aide 'Escalating'

SK2603131096 Seoul YONHAP in English 1233 GMT 26 Mar 96

[FBIS Transcribed Text] Seoul, March 26 (YONHAP) — Prosecution probe into the case of Chang Hak-no, sacked secretary of President Kim Yong-sam, is escalating as investigators detected signs that Chang took money of bribery nature from some public officials in addition to "gratuitous money" from businessmen.

"We suspect Chang received money in connection with his duty, too," a prosecution official said Tuesday. "This means he took money with the promise that he would speak well of them to the president."

The prosecution intends to act on the case as speedily as possible apparently to minimize its adverse impact on the ruling camp in the current general elections.

"An interim outcome of investigation could be announced toward the weekend at the earliest," he said.

A total of 13 businessmen have been questioned as of Tuesday for their alleged handing of money to Chang. An undisclosed number of government and public enterprise officials, too, are set to be questioned on bribery charges.

But, the prosecution does not plan to place under arrest any of the businessman donors in accordance with customary practices, the prosecution official said.

ROK: Prosecution Expands Probe of Kim's Aide to Girlfriend

SK2603093996 Seoul YONHAP in English 0846 GMT 26 Mar 96

[FBIS Transcribed Text] Seoul, March 25 (YONHAP) — Kim Mi-cha, the live-in girlfriend of former Presidential Secretary Chang Hak- no, allegedly invested a huge amount of money in financial assets such as certificates of deposits and insurance policies in 1993 and 1994 despite being heavily in debt, a source said Tuesday.

Prompted by the allegation made by Paek Hae-suk, ex-wife of Kim's brother Sung-yong Tuesday, the Seoul District Prosecutor's Office started to look into Kim's accounts at First Bank's Mok-tong Branch in an effort to determine the sources of the money she used for such investment, the source said.

Paek is one of the two women who recently divulged Chang's illicit amassing of wealth to the main opposition National Congress for New Politics (NCNP), bringing a serious disgrace to the Kim Yong-sam government which has openly championed anti-corruption and reform-minded initiatives since its inauguration in February 1993.

The NCNP is claiming that Chang has approximately 3.7 billion won in assets concealed under the names of Kim Mi-cha and her brothers.

Paek was quoted as saying, "I know that Kim Mi-cha was in debt before 1993, so it was very strange that she invested hundreds of million won in financial assets. And Kim's testimony that she received 200 million yen from an ethnic Korean from Japan whom she lived with here in the early 1980s is untrue."

Prosecutors are investigating the allegation that Chang, after receiving enormous kickbacks from businessmen, might have hidden the money through his girlfriend and her brothers in real estate and financial assets.

A travel ban has been imposed on Kim and her four brothers, Ui- yong, Sung-han, Sung-yong and Sung-ho, to prevent them from leaving the country.

Chang, 45, became a close aide of Kim in 1977 and has been his "steward" for nearly 20 years. When Kim became president in February 1993, Chang was named a grade-one official at Chongwadae [presidential offices] in charge of miscellaneous duties.

ROK: NKP Official Proposes 'Purification' of Chongwadae

SK2603084796 Seoul YONHAP in English 0803 GMT 26 Mar 96

[FBIS Transcribed Text] Seoul, March 26 (YONHAP) — Pak Chan- chong, chief of the ruling party's election campaign headquarters for the metropolitan area, has said that he will soon suggest an in- house purification of Chongwadae [presidential offices] to President Kim Yong-sam as an "institutional means" to overcome the trouble caused by the corruption case involving one of his former secretaries, Chang Hak-no.

He made the remarks at a press conference at the New Korea Party (NKP) headquarters in Yoido Tuesday.

"As election campaign chief for the metropolitan area, I'll work out plans for institutionalizing a personnel screening system in Chongwadae, rectifying the management of state affairs and other measures to overcome the aftermath of Chang's scandal for them to be submitted to the president soon," Pak said.

He continued that Chang's case should be thoroughly investigated, considering that suspicions are circulating that investigations on the Chang's case are being scaled down.

"The government should do a more thorough self-purification in and out of the presidential office and make public the convincing outcome of the drive as early as possible."

ROK: DP Committee Co-Chairmen Comment on 11 Apr Elections

SK2603062296 Seoul THE KOREA TIMES in English 26 Mar 96 p 2

[FBIS Transcribed Text] Democratic Party Election Committee Co-chairmen Hong Song-u and Yi Chung-tae told a new conference yesterday that the party will secure reaffirmation as the supra- regional party.

As opposed to the other three parties, whose support is mainly derived from their home regions, Hong said that by winning more than 70 seats from all across the nation in the upcoming general elections, his party will take a leading role in the political remapping of the post-election period.

Co-chairman Hong said, "I admit that the party's current political capacity in some areas does not live up to people's expectations. However, I do believe we are the only party which has limitless potential without shameful past records."

Multi-term Assemblyman and Committee Co-chairman Yi added, "The recent scandal surrounding presidential secretary Chang Hak-no is a vivid showcase demonstrating the corruption of current politics.

With the opening of the official election period, the people's support for the morally blameless and transparent Democratic Party will surge dramatically."

The Democratic Party also unveiled a package of new policy proposals targetted at the ruling New Korea Party [NKP] and demanded that the NKP disclose details of the last presidential election funds and purge itself of the close aides of former presidents Chon and No.

Rep. Pak Kae-tong, who unveiled the slush fund scandal, said he is collecting information on how the slush fund has been used and will reveal it to the public in the near future.

The DP is slated to announce a list of its candidates on the party's proportional representation system today.

ROK: Kim Tae-chung Comments on 11 Apr Elections

SK2603044696 Seoul THE KOREA TIMES in English 26 Mar 96 p 2

[FBIS Transcribed Text] Kim Tae-chung, leader of the main opposition National Congress for New Politics, stressed yesterday that his party needs to win one third of the Assembly seats in the upcoming April elections to ensure political stability.

Meeting the press at the Seoul NCNP headquarters the day before the 16-day official campaign starts, he tried to explain why a strong NCNP is needed in the 15th National Assembly.

"If NCNP fails to win more than 100 seats, the nation's politics will plunge into chaos because those attempting to change the current presidential system into the parliamentary cabinet system will have more influence," he said.

The NCNP's role is to check the power of President Kim Yong-sam and other leaders of the ruling New Korea Party who, he claimed, have lead the nation into "failure and confusion for the past three years."

Asked if it is impossible for the NCNP to secure the 100 seats needed for the one third majority, he replied that it is too early to say, but thinks it may be possible if all party members do their best for the remaining 17 days.

Commenting on the current debate about expected political realignment after the polls, he criticized NKP leaders for trying to deceive voters. "How can political leaders solicit voters to cast ballots for their candidates if they do not know where they will stand after the elections," he said.

About the graft case by Chang Hak-no, a close underling of President Kim, he urged the President to issue a formal apology for what had happened under his nose. "President Kim's methods of driving out corruption is the cause of this incident," he said. Kim Tae-chung accused the President for having launched target investigations against his political foes while being lenient to those on his side.

Questioned whether he thinks he will win an Assembly seat as the party's 14th ranked proportional candidate, he said the party members involved in the district election campaign should answer the question.

On economic issues, he emphasized the party's policy of "economy first" and proposed the idea of "equal economic rights" among various sectors. He emphasized the party's efforts to bring balance and harmony to big conglomerates and small businesses, urban and rural areas, and export and domestic industries.

ROK: Official Campaign Period for Elections Begins

SK2603042796 Seoul THE KOREA TIMES in English 26 Mar 96 p 1

[FBIS Transcribed Text] Political parties and candidates including independents, will kick off official campaigns today for the April 11 general elections, for which 299 National Assembly seats are at stake.

Candidates will register their candidacies with the Central Election Management Committee (CEMC) today and tomorrow before entering official campaigning.

CEMC officials forecast that some 1,350 candidates will contend for 253 seats by popular vote, chalking up a competition ratio of 5.3:1, the highest in Assembly election history.

The remaining 46 seats are reserved for the national constituency and will be allotted to political parties in proportion to the number of votes they garner in the direct polls.

The ruling New Korea Party (NKP), the minor opposition Democratic Party (DP) and the conservative United Liberal Democrats (ULD) will announce the lists of nominees for the national constituency seats by tomorrow.

The main opposition National Congress for New Politics (NCNP) bared the list of 46 national constituency candidates Saturday, placing party leader Kim Tae-chung as low as 14th in a move to appeal the electorate to give as many votes as possible to NCNP candidates nationwide thereby ensuring an Assembly seat for him.

Presidents and chief campaign managers of the ruling and opposition parties yesterday held press conferences to appeal to the people to support their candidates in the forthcoming elections.

Kim Sok-su, CEMC president, yesterday issued a statement calling for cooperation from parties and candidates to realize clean and fair elections.

Prime Minister Yi Su-song yesterday presided over a meeting of election-related government ministers and instructed public officials to stay strictly neutral during the electioneering period.

In the meeting, Justice Minister An U-man reported that law enforcement authorities have been investigating 542 people, including 46 lawmakers and 13 heads of local administrations, suspected of violating election laws.

With only 16 days left until the elections, political parties are all out to rally support from voters, a considerable portion of whom are listed as the "still undecided."

Opposition parties are intent on taking advantage of the bribery scandal of Chang Hak-no, a Chongwadae secretary in charge of managing the presidential household affairs, to win over perennial supporters for the ruling camp and reform-minded young voters.

Their strategies are apparently paying off with newspaper and unofficial polls indicating that support for the ruling NKP is sliding.

Since the scandal broke out, support for the NCNP and ULD have been slightly increasing, according to the polls.

NCNP president Kim Tae-chung yesterday lashed out at President Kim Yong-sam for being lenient on his deputies while being merciless in cracking down on his political opponents on corruption charges.

The ruling camp countered the opposition offensive, blaming them for taking advantage of the scandal to derail President Kim's overall reform drive itself.

Terming the Chang scandal "an unhappy incident that reversed the undercurrent of the reform-oriented civilian government," Yi Hoe- chang, chief campaign manager of the NKP, said in a press conference that his party will try to restore the people's trust by strictly dealing with the Chang scandal.

ROK: 1,294 Candidates Register for General Election

SK2603122196 Seoul YONHAP in English 1156 GMT 26 Mar 96

[FBIS Transcribed Text] Seoul, March 26 (YONHAP) — A total of 1,294 people registered their candidacy in the 15th general elections with local election committees across the country Tuesday, the first of the two days set for candidacy registration.

The number represents a competition ratio of 5.1 to 1 as 253 Assembly persons are set to be chosen from local electoral districts in the April 11 elections.

In addition, 46 solons will be selected under the national representation system, a method under which the 46 seats are to be distribution to political parties in proportion to the numbers of the votes they garner.

Those who registered Tuesday included the entire 253 candidates of the ruling New Korea Party, 222 of the opposition National Congress for New Politics, 217 of the Democratic Party, and 208 of the United Liberal Democrats.

Of the total, 349 were independents, including 56 in North Kyongsang Province and 50 in Taegu, where no major political parties enjoy dominant influence.

ROK Editorial Discusses Effects of Interest Rate Reductions

SK2703020596 (Internet) The Digital Chosun Ilbo WWW in English 1207 GMT 26 Mar 96

[Editorial: "With Only a Word by the Vice Prime-Minister?"]

[FBIS Transcribed Text] Financial institutes have begun to reduce interest rates. It is very significant, though lending margins are slight, because the competition among financial institutions to attract customers with high interest has been stifled. Rates stayed high despite a downward trend in the market.

The increase of bank rates was contrary to the excess fluidity of the market. Banks had no choice but to raise interest rates to attract more depositors. Accordingly, the rate for small business and personal loans increased.

It is desirable that the interest rate goes down considering the current business climate. Especially, considering that the cause for these high rates is the unreasonable competition among financial institutions. The problem here is that the interest rate was reduced three days later at the request of the Vice Prime-minister. This was positive in that this would dampen the excessive volume-oriented competition among financial institutions and decrease the burden of financial costs incurred by small and medium business concerns and households.

This strong intervention by the Vice Prime-minister (with an eye toward self-control of interest rates) comes at a time when the industry was establishing autonomy of itself after implementation by the government of three measures for interest liberalization. Though these institutes may have invited intervention because of excessive competition, it is not desirable that the government directly play a role in this matter. This request by the Vice Prime-minister for a reduction of the rate can be misconstrued as it follows an investigation of collusion in the banking industry by the Fair Trade Commission.

With the general election barely half a month away, the government's timing on this issue is questionable. The banking industry's hurried acquiescence to the Vice Prime-minister's request is pitiable and a cause for concern as it could cause other delicate disputes to arise. Interest rates, once liberalization has been promulgated, should be the concern of the banking industry and not the government. Other measures may be necessary when misuse of this freedom becomes a problem.

ROK: Samsung, KEPCO, POSCO 'Driving Force' of Business Boom

SK2603081696 Seoul YONHAP in English 0710 GMT 26 Mar 96

[FBIS Transcribed Text] Seoul, March 26 (YONHAP) — One private and two government-invested companies were the driving force behind the South Korean economy's remarkable 9-percent growth last year. They were Samsung Co., Korea Electric Power Corp. (KEPCO) and Pohang Iron and Steel Co. (POSCO).

Although most other businesses enjoyed an increase in sales, they also experienced declining profits.

The Securities Supervisory Board's report on the achievements of 532 listed companies for the year ending last December said combined sales for the year grew 24.9 percent from 1994 to 316.39 trillion won (405.6 billion U.S. dollars).

Total before- and after-tax profits also rose 19.6 percent and 31.6 percent to 10.21 trillion won and 7.92 trillion won, respectively.

If Samsung, KEPCO and POSCO are excluded, however, aggregate pre- tax and net profits fell 8.3 percent and 3.8 percent, respectively, even though combined sales increased 24.9 percent.

The big three accounted for 10.8 percent and 53.7 percent of the total sales and net profits, respectively, achieved by the 532 listed companies who had settled their 1995 business accounts by Dec. 31, the report said.

While manufacturing sales and net profits increased 23 percent and 68.2 percent, respectively, since 1994, the non-manufacturing and banking industries made a mixed showing — with a decline of 1.8 percent and 15.1 percent in net profits and the growth of 27.4 percent and 23.6 percent in sales.

In sales, the machinery industry topped the list with a 72.5- percent expansion, followed by transport equipment at 42.2 percent, mining at 41.8 percent, and office equipment and electric equipment at 36 percent each.

The fishery and food and beverage industries incurred a loss last year, a turnaround from a profitable 1994, while rubber and furniture losses continued to grow. Textiles and construction also suffered a recession, with net profits plunging 83.3 percent and 75.9 percent, respectively.

Achieving total sales of 19.25 trillion won, Samsung Co. became the nation's top seller in 1995, followed by Hyundai Corp., Samsung Electronics Co., Daewoo Corp., LG International Corp., Hyundai Motor Co., KEPCO, POSCO, Yukong and LG Electronics Inc. in descending order.

The number of firms achieving more than 10 billion won in sales increased from four in 1994 to seven last year.

In terms of net profit, Samsung electronics retained its top position for the second straight year, by raking in 2.55 trillion won, followed by KEPCO with 910 billion won and POSCO with 839 billion won.

Following POSCO in the descending order were Korea Mobile Telecom, Hyundai Motor, Shinhan Bank, Daewoo Heavy Industries, Ssangyong Oil Refining, Chohung Bank and Korean Air.

Brunei, Malaysia & Singapore

Malaysia

Malaysia, Singapore Seize Drugs in Joint Operation

96SE0045A Kuala Lumpur BERITA HARIAN in Malay 12 Feb 96 p 6

[FBIS Translated Text] Johor Bahru, 11 Feb—The Central Narcotics Bureau (CNB) of Singapore, in cooperation with the Malaysian Antidrug Branch (CAD), seized 33.4 kilograms of marijuana in Singapore yesterday following the arrest of 25 people, including three Malaysians.

One of the Malaysians arrested in the massive raid is believed to be the top organizer and chief of a syndicate distributing drugs to Singapore, while of the other two Malaysians, aged 28 and 39, one is a real estate agent.

In the operation, known as Operation Tornado, police from the two countries also arrested a 43-year-old Canadian citizen, who was using a visitor's pass, and seized $27,000 [Singapore dollars] (48,330 ringgit) in cash.

The marijuana seizure, called the largest in Singapore in the last five years, came as a result of investigation by the police of the two countries during the last several months.

Masbollah Fazal, deputy director of the CNB, said the confiscated marijuana is believed to have been brought from Thailand and is worth about $50,000 (89,500 ringgit) on the black market, enough to supply 100 addicts for a month.

He said the 37-year-old Malaysian is also head of a marijuana trafficking syndicate believed to be active in Kelantan, Johor, and Singapore.

He said the head of the syndicate is believed to have brought several kilograms of marijuana into Singapore every month.

He said the head of the syndicate is also believed to own several automobiles for supplying and delivering marijuana via the Customs Inspection Center at Woodlands, Singapore, especially at busy times.

"A joint investigation by the two agencies found that the syndicate was planning to go to Kelantan at the end of last month."

"Last Thursday [8 February], however, the Malaysian CAD reported that the syndicate chief had returned from Kelantan to Johor with a supply of drugs."

"He then went to Arab Street in Singapore with the drugs, but the CNB did not arrest him because they wanted to follow his activities further."

"After that, he returned to Johor and joined another man believed to be in charge of storing marijuana in Johor," he said at a press conference in Singapore yesterday."

Masbollah said that at about 2150 hours last night, the two men entered Singapore again in two cars, bringing another man with them.

He said that as soon as they went through the Customs Inspection Center at Woodlands, the two cars were stopped, and 23 kilograms of marijuana were found hidden in the back seat of the car driven by the syndicate chief.

Malaysian Police Arrest Drug Couriers Aboard Buses

96SE0045C Kuala Lumpur BERITA HARIAN in Malay 12 Feb 96 p 6

[FBIS Translated Text] Jerteh, 11 Feb—Terengganu Police arrested three men at Jerteh last month and seized more than 44 kilograms of marijuana. One of the men was a student believed to have received a suit of clothes as pay for transporting drugs.

Senior Assistant Commissioner Datuk Idris Abdul Wahid, chief of Terengganu Police, said the two others were a 60-year-old citizen of Thailand and a 25-year-old resident of Kelantan employed by a Singapore shipping company.

The arrests and seizures were made on express buses on 18 January and the day following and the third on 23 January, he said today in a press conference at Besut district Police Headquarters.

Idris said investigation revealed that the 17-year-old student had been paid with a "suit of holiday clothes" for carrying the marijuana, while the two other men received pay of 100 ringgit each.

"They were used by drug traffickers to carry marijuana to Johor Bahru," he said.

Police are confident that through these arrests drug trafficking activity via this state has been reduced.

Malaysia Asks Big Company Help for Drug Rehab Program

96SE0045D Kuala Lumpur BERITA HARIAN in Malay 15 Feb 96 p 13

[FBIS Translated Text] Kuala Lumpur, 14 Feb—The government will introduce an adoption and village industry program as a new approach to handling the drug addict rehabilitation problem.

In this regard, Deputy Minister of Home Affairs Datuk Megat Junid Megat Ayob asked each of the country's giant companies to adopt one of the 45 Advanced Care Centers (PJL's) throughout the country to help finance the activities of former drug addicts undergoing rehabilitation treatment.

He said private sector help is needed for the government's efforts to fight drug abuse and organize more effective rehabilitation programs.

He said implementation of the PJL adoption program will be organized by the National Antidrug Council in its first meeting no later than next month.

"Giant companies need to be more committed by joining forces with the government to organize drug rehabilitation programs with more attractive approaches."

"Besides financing various programs, the companies involved may also establish small-scale village industries at PJL's, which would help trainees to learn skills and generate their own incomes," he said after a meeting for the presentation of a van to the Syers Street PJL this morning.

The Nissan Vanette C22 van, worth 50,000 ringgit, was a donation by Tan Chong Motor Holding. Megat Junid said that even if a PJL is adopted by a giant company, staff wages and basic facilities will still be financed by the government.

He said that besides demonstrating social responsibility, companies in the program will create more comfortable PJL's, which will contribute to the reduction of repeat addiction cases.

"We will guarantee the success of this concept because our drug rehabilitation centers will be formed according to unique models, using religion, culture, and local community beliefs as approaches," he said.

He said that 55 more PJL's will be established throughout the country under time-to-time allocations from the Central Government.

He said the adoption program will make PJL's more functional as halfway centers before former addicts return to society, because not all current PJL's are operating well.

"This sincere effort should not be made a burden on the government, because it needs to be done collectively," he said.

"Moreover, if a giant company adopts a PJL, the expense needed to finance the various activities will not be great," he said.

Cambodia

Cambodia: Vietnamese Activists Given U.S. Support

BK2703105996 Phnom Penh PHNOM PENH POST in English 22 Mar-4 Apr 96 pp 1, 7

[Report by Matthew Grainger and Ker Munthit]

[FBIS Transcribed Text] Thirteen Vietnamese who ran into the U.S. Embassy March 15 were told to seek asylum there by a California-based group called the International Missing Persons Foundation (IMPF).

The thirteen—along with some 38 others who didn't make it in before the gates shut—say they were part of the "Free Vietnam" anti-communist movement.

They say the IMPF—apparently a group founded by U.S. veterans— gave money each month, and had done so since a "special agent" visited Phnom Penh and started the movement in August 1994.

They say they have been harrassed and watched by Cambodian police and "Hanoi spies." Three of their members have recently been deported from Cambodia to Vietnam—although no extradition treaty exists between the two neighbors—and friends and relative say they've "disappeared."

Their Phnom Penh offices—called "CFC"—a construction company, cum 24-hour legal advise, photocopying, typing and fax agency, and soon-to-be-opened restaurant—were looted and locked by police "with cocked guns" on March 13.

On March 14 they got word from a man named An Mai, the IMPF's "special agent, Bureau of Investigations" in California, to gather at the U.S. Embassy at 4 pm the following day.

"We were told [the Americans] would take care of us," said one of the asylum seekers.

Asylum was refused the 13 after charge d'affaires Bob Porter got "assurances" from co-Interior Ministers Sar Kheng and Yu Hokkri that the Vietnamese would not be deported as long as they obeyed the law.

That satisfied the Americans and the UN High Commission for Refugees (UNHCR), who got the "political squatters" to leave the embassy around midnight. The Vietnamese however are far from reassured.

Interviewed outside the UNHCR on March 18, most of the group were worried about their safety. They said they feared to go home.

In hushed tones they pointed out someone they described as a "Hanoi" man mingling with their group outside the UNHCR offices — apparently a Chinese national who showed the POST a Spanish Ministry of Interior identification card with his photo and name. He claimed in broken English only to speak Spanish and Chinese.

The group were waiting to be interviewed by UNHCR staff, who at press time "had not yet made up our mind whether they are people of concern to the UNHCR," according to senior protection officer Walter Hoffmann.

Hoffmann said that many of them "had different agendas... and backgrounds."

He explained people had to demonstrate that they were outside their country of origin, and had well-founded fears of persecution based on their political opinion, to be considered political refugees.

Group members made no secret that their company—CFC—was funded from California.

The POST confirmed that CFC rented office space at $1,000 a month, "... and look at us," said one of the group, "we don't have that sort of money."

CFC (Cambodia and Five Continents) also gave the Tudo newspaper up to $500 a month and operated the "Vinalab" labor union and the Tudo political movement that claims, according to its members, more than 1,000 supporters in Cambodia.

Most of the group also belong to the California-based Brotherhood Rally of All Veterans Organization (Bravo)—whose laminated cards tell its members they are all "media commandos" belonging to a "vehicle for veteran related activities, opportunities and events."

Li Chandara, the editor of Tudo, was arrested at dawn on March 9 by Cambodian police and driven in a convoy to the Vietnamese border, according to his wife Chieu Mei. There he was met by Vietnamese officials, and she says she does not know what happened to him afterwards.

She said she did not expect to see him again.

A spokesman at the Vietnamese Embassy in Phnom Penh said he knew nothing about Tudo or the deportations, other than what he had read in the papers.

The Ministry of Interior has said that a fourth wanted man was still in hiding, and a ministry official said that "they cannot, on a whim, use Cambodian soil to conduct political activities against another country."

Chieu Mei claimed that her husband was not political.

She said she had business dealings on behalf of the newspaper with the boss of CFC, Li Thara, who was deported along with Chandara and a third person.

She said Thara would give her around $300 to $500 a month for the paper. She also said that on Nov 29 Thara organized three computers and a fax machine to be sent from California for the paper to use.

The equipment was seized and three Vietnamese with U.S. papers were arrested at Pochentong—later to be released and deported back to the U.S. U.S. Information Service (USIS) Director Frank Huffman said he was not aware of the incident.

Chieu Mei said: "Indeed, CFC was political but they told us not to get involved.

"They told us to continue to arrange help for the poor, for example when CFC were going to make a donation of money to poor Vietnamese, we should advertize," she said.

Along with her four children, Chandara's wife was among those locked out from the U.S. Embassy on March 16. When told that those who made it had not been given asylum, she said: "I should be angry, because some people are not involved in (politics), including my husband. But maybe because my newspaper helped spread the charity of CFC, that's why we got into trouble.

"But for the people inside, why didn't the U.S. Embassy help?"

When told that Porter had assurances from Hokkri and Kheng about the safety of the asylum seekers, she reiterated others' comments: "No, I don't believe that. I absolutely don't."

When asked on the night why the Vietnamese had picked the U.S. for asylum, Porter said his embassy had simply been a "target of opportunity."

USIS Director Huffman said that the embassy had heard of the Bravo movement, but not of IMPS nor CFC.

Huffman pointed out that the U.S. had full diplomatic relations with Phnom Penh and Hanoi "and we don't support any extra judicial movement that would cause trouble" between Cambodia, Vietnam and the United States.

"Obviously we don't support (Bravo's) activities that we understand to be anti the Vietnamese government," he said.

He said he was not aware of any investigation into Bravo "but that's not to say if we continue to get drawn into it we might not say hey, what's going on with these people continuing to cause problems."

Huffman said that it was "not an option" to seek political asylum in U.S. embassies "unless someone runs in hot pursuit and they're in danger of losing their lives... only then would we allow them to stay. These people didn't come into that category."

The POST meanwhile interviewed Bravo Chief Executive Officer Tony Donovan in California, who said he knew nothing about the IMPF.

Donovan said one Bravo officers—Tony Chan, who had since been sacked—had been misusing Bravo membership cards in Cambodia for some time.

"I have no idea where (Chan) is, or where he has gone. I haven't seen him," Donovan said.

"When we found out he was into extra curricular activities, we fired him. That was about 18 months ago," he said.

Donovan said there were many legitimate members of Bravo in Cambodia. The head of Bravo South East Asia—a former ARVN special forces colonel, Ho Dai Chan—was presently in the United States "clarifying misconceptions about Chan's time in Cambodia."

Dai Chan was in charge of Bravo's activities in Vietnam and Cambodia.

Bravo was a veterans' organization that was not party to any political movement, and was not "anti-Hanoi" or anti any government, he said. "We are just tired of seeing people die," he said. "We help people."

Cambodia: King Sihanouk Appeals for Unity

BK2703073496 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 27 Mar 96

[Speech by King Norodom Sihanouk at a religious ceremony on Buddhist holy day in the royal palace in Phnom Penh on 27 March — recorded]

[FBIS Translated Excerpt] [Passage omitted on Sihanouk greeting everyone and describing the religious practice he is observing]

As part of this holy day, I would like to pass on merits to the people and most loved compatriots. May our people, citizens of our nation, and our entire Cambodia know complete peace again and avoid dissension, war, fighting, and bloodshed. Cambodians, please do not fight and kill one another. Please turn to and tolerate one another. Please unite like in the Angkor and the Sangkum Reas Niyum era, when the name of our country and nation was very good in the internationally. We were a great country on an equal footing with major powers. So, it would be best if we unite. This is the only remedy that would help us resolve big, mean, and small problems for the sake of the supreme interest and survival of our Cambodia, so that Cambodia's good life as an independent, neutral, and nonaligned state with territorial integrity can continue. May the merits from today's ceremony — all the good traditions of Buddhism and our kingdom — at the king's small chapel, the Vihear Suo toch temple, in the royal palace, go to all of you, compatriots, regardless of your party. I am the father. I ask for unity so that we will have peace. May you reap these merits with peace. I wish you the traditional Buddhist blessings of longevity, good social standing, good health, vitality, and enlightenment.

Cambodian People's Party Clarification on AFP Report

BK2603162096 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 26 Mar 96

[Statement issued by the Office of the Cambodian People's Party dated 26 March—read by announcer]

[FBIS Translated Text] On 26 March 1996, AFP, quoting information from an interview, reported that Samdech Chea Sim met with His Excellency [H.E.] Loy Simchheang, general secretary of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and agreed with FUNCINPEC's stance on power sharing as raised at the recent 2d congress of this party.

[Hong Kong AFP in English at 1403 GMT on 26 March reports: "King Norodom Sihanouk says he is disturbed by a threat from the royalist FUNCINPEC party to walk out of Cambodia's coalition government and is willing to act as a mediator between the party and its rival, the formerly communist Cambodian People's Party (CPP)."

[The agency adds: "The king said he hoped that the situation in Cambodia did not deteriorate to the point where he felt obliged to call for round table talks. But Prince Ranariddh on Tuesday said there would be no need for round-table talks, adding that officials from both parties had already met and agreed to form a bilateral committee to work on the issue. He said that FUNCINPEC secretary-general, Loy Simchheang, and CPP chairman Chea Sim, seen by some observers as an intra-party rival of Hun Sen, had already spoken and that Chea Sim agreed with the FUNCINPEC position. 'If Hun Sen has a problem, he should solve it with Chea Sim,' the prince told reporters."]

To avoid misunderstanding among public opinion in general, the office of the Cambodian People's Party [CPP] would like to issue the following correction.

1. At the recent meeting with H.E. Loy Simchheang, FUNCINPEC general secretary, Samdech Chea Sim,

CPP chairman, did not talk about support for power sharing as raised at FUNCINPEC's 2d congress.

2. On power sharing, as well as on other issues, CPP leaders have always consulted one another and adhered to a common, clear, principled, and realistic stance carefully taking into account the vital interests of the country, nation, and people, and have done whatever they can to maintain political stability, national union, and progress in accordance with the lofty intitiative of His Majesty King Norodom Sihanouk of the Kingdom of Cambodia.

3. On the basis of the alliance between the two major parties, the CPP has a clear and unchanging stance to continue to sincerely unite [words indistinct] with FUNCINPEC and other political parties. It will strive to be patient to the utmost to prevent the national reconciliation process and multi-party liberal democracy in Cambodia from moving backward because of the lack of reasonable, flexible political will based on reality.

Phnom Penh 26 March 1996

Cambodia: CPP Issues Memorandum on Power Sharing

BK2603155396 Phnom Penh National Radio of Cambodia Network in Cambodian
0500 GMT 26 Mar 96

[Memorandum of the Cambodian People's Party; dated 26 March—read by announcer]

[FBIS Translated Text] Recently a resolution by FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] on 22 March 1996 and a statement by this party's leader expressed the party's desire to withdraw from the Royal Government, to dissolve the National Assembly, and to move toward early elections. This is contrary to what is stipulated in the Constitution. This has affected political stability and the spirit of national reconciliation.

In a spirit of responsibility for the destiny of the country and the people, the Cambodian People's Party [CPP] issues this memorandum to affirm its stance as follows:

1. The statement by the FUNCINPEC leader concerning the delay in the inclusion into the government of officials from each former Cambodian party, signatories of the Paris agreement, puts the blame unreasonably on the CPP. Here is the clarification of the CPP on this point.

According to the spirit of the Paris agreement on a political solution to the Cambodian problem, there is nothing that affirms any power sharing in the civilian administration. In principle, in countries adopting multiparty liberal democracy, power sharing is required for political officials, namely, ministers, state secretaries, and under state secretaries.

In reality, this power sharing has already been properly implemented in the Royal Government in accordance with the lofty initiative of His Majesty, the revered King. Furthermore, in a reconciliatory spirit, in order to work together, the CPP has already agreed to the inclusion of over 11,000 FUNCINPEC men and over 7,000 men from the Buddhist Liberal Democratic Party [BLDP]. Among these, a number of officials have received responsible positions in many ministries, municipalities, and provinces.

In the police force in particular, we have already included 15,107 officials from FUNCINPEC and 4,045 from the BLDP. In the same spirit, the CPP is ready to make preparations to include FUNCINPEC forces into positions at district levels — although to this day FUNCINPEC has not forwarded a list of officials. This is a goodwill gesture and an immense concession by the CPP to FUNCINPEC.

On the contrary, FUNCINPEC leaders have used this issue as a pretext to withdraw from the Royal Government, create political instability, and deceive public opinion.

Therefore, the CPP is compelled to adhere to (?this) principle [words indistinct]

2. Whatever the situation, the CPP continues to firmly adhere to the stance of ensuring the continuity of the Royal Government until the end of its mandate in accordance with the Constitution. The CPP categorically opposes any acts violating the Constitution and leading to an early dissolution of the National Assembly.

3. The CPP firmly adheres to a policy of peace and national reconciliation to defend the supreme interests of the country and the nation and the people's lives. Parties or political forces aspiring to create activities detrimental to the nation and people will be responsible for the resulting consequences.

4. The CPP appeals to all parties and politicians to put the interests of the country, nation, and people first and to avoid making political decisions or taking part in any act that is dangerous to the nation and country. It appeals to civil servants, officials, armed forces, and all strata of people to keep calm and to continue carrying on their work and business. Please have firm trust in the CPP. Whatever the situation the CPP stands totally for the interests of the people, country, and nation and will do everything to maintain stability and social progress.

Phnom Penh, 26 March 1996

Cambodia: Chea Sim Affirmation on FUNCINPEC-CPP Axis Praised

BK2703042296 Phnom Penh National Radio of Cambodia Network in Cambodian 0200 GMT 27 Mar 96

[Speech by First Prime Minister Prince Norodom Ranariddh at the inauguration a new school building at the Ampel primary school in Prasat commune, Kompong Trabek District, Prey Veng Province, on 26 March — recorded]

[FBIS Translated Excerpt] [passage omitted] Availing myself of this good opportunity, I wish to inform the grandmothers, grandmothers, uncles, and aunts that following the resolutions made by the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party at its congress a few days ago, there have been some worries over the issue of government, the issue of national reconciliation, and so on. I would like to take this good opportunity to inform the national and international communities that we, all the Cambodians and the major parties that include FUNCINPEC and Cambodian People's Party [CPP], have paid considerable attention to national concord, solidarity, and unity to ensure security and peace for the people throughout the Kingdom of Cambodia.

Therefore, His Excellency Loy Simchheang, FUNCINPEC secretary general, in his capacity as the FUNCINPEC secretary general, met yesterday with Samdech Chea Sim, the august CPP chairman. After talks lasting more than one hour, Samdech Chairman Chea Sim clearly reaffirmed the CPP stance. He said the CPP is confident and believes that our two parties should not only cooperate at this point but should also, at present and in the future, continue with this close cooperation to provide security, peace, and development for our entire country and nation.

Samdech Chea Sim added that we should strive to fully implement what we have already agreed upon after the elections, and upon the formation of the Royal Government, and what the two parties had already promised.

I consider Samdech Chea Sim's stance here as most correct. FUNCINPEC, with its members present here, and I are extremely happy with the genuine national reconciliation and concord that the people and we want to have to promote security and peace. Without security and peace, we can never talk about national development. What is the school for if we are quarreling and if our country plunges into war again. Therefore, I, the FUNCINPEC chairman, wish to laud CPP chairman Samdech Chea Sim's most correct view and stance. A joint committee of the two parties should start talks as quickly as possible and implement all the pledges that we, the two parties, have discussed and agreed upon. This is to provide safety, development, and prosperity to all Cambodians.

I wish to conclude my speech on a note of hope for national concord and reconciliation. Samdech Chea Sim repeatedly reaffirmed that he would strive further, at present and in the future, to improve the FUNCINPEC-CPP alliance. This is a good news that we, Cambodians and FUNCINPEC, should warmly welcome. [passage omitted]

Cambodia: Khmer Rouge Release 25 Deminers; Briton Still Held

BK2603134596 Hong Kong AFP in English 1333 GMT 26 Mar 96

[FBIS Transcribed Text] Phnom Penh, March 26 (AFP) — Khmer Rouge guerrillas seized 26 Cambodian deminers and their British supervisor in northern Cambodia Tuesday, but later released all of their captives except the Briton and his translator, officials and aid workers said.

The Cambodians were released around 5:00 p.m. (1000 GMT) after Christopher Howes, a 36-year-old mine-clearance expert from Bristol, western England, refused to act a courier for ransom money, Siem Reap deputy governor Kong Heang said.

The hostages, who all work for the British-based Mines Advisory Group (MAG), had been held since about 9:30 a.m. (0230 GMT) Tuesday when they were abducted at gunpoint by a group of guerrillas while demining a roadside pagoda in the Angkor Thom district of Siem Reap province.

Negotiations between the kidnappers and Cambodian government and military officials for the release of Howes and his translator were continuing, according to interim MAG country director Archie McCarron.

"All we know is that the two of them are still there," he said.

It was unclear what the Khmer Rouge were demanding for Howes' release.

In a radio conversation between the military and the kidnappers overheard by aid agency workers in Siem Reap, the kidnappers indicated they wanted 10,000 Thai baht (400 dollars) apiece to release the Cambodians but no mention was made of a ransom for Howes.

Kong Heang said the Khmer Rouge had wanted Howes to act as a courier for the ransom, but that he had refused.

He said the Khmer Rouge had told Howes he could return to the provincial capital with all but 10 of the Cambodians — who would be used as collateral — and return with the ransom.

"He said no, so they decided to release the Cambodians and keep him (and the translator) there," Kong Heang said. It was unclear why the Khmer Rouge had allowed the Cambodians to leave.

A senior aid agency official in Phnom Penh said 33 people had gone to the site in the morning, 27 of whom were seized.

"They got there and there was nothing around, no noise, eerie," the official said. "The Khmer Rouge had come to the area the night before and told the people to keep quiet. Then the guys were taken.

"The six who escaped ran through a mined area and were not pursued. They reported it," the official said.

British ambassador to Cambodia Paul Reddicliffe said his embassy had been notified and that the situation was being investigated. He declined further comment.

Authorities in Siem Reap, 315 kilometers (220 miles) northwest of Phnom Penh, said they were taking the matter "very seriously" but said they were not certain the Khmer Rouge were responsible.

"We are taking serious measures to investigate this case and arrest the kidnappers," Kong Heang said.

One source familiar with the area said the kidnappers were probably Khmer Rouge defectors who had either gone back to the guerrilla movement or become "outlaws."

Though the Khmer Rouge have been forced out of areas around Angkor Wat, a major tourist attraction, small groups of rebels are known to operate in more remote parts of the province.

Last January, an American tourist and her driver were killed by gunmen as they drove from Angkor Wat to the smaller temple of Banteay Srei north of Siem Reap town. The Khmer Rouge claimed responsibility for the attack and four Khmer Rouge defectors were later convicted of their murder.

Abductions are a staple tactic of the Maoist group, held responsible for the deaths of at least two million Cambodians during their brutal 1975 to 1979 reign.

They are now fighting a guerrilla war against the elected coalition government, though numbers are said to be dwindling.

Including the latest incident, the Khmer Rouge have in the past two years, abducted hundreds of Cambodian civilians and eight foreigners — four Britons, two Australians, a Frenchman and an American.

Of those only the American, a female aid worker was released. The others were murdered.

Indonesia

Indonesia: Alatas Calls EU's Move 'Interference'

BK2703035496 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 27 Mar 96

[FBIS Translated Text] Indonesia has strongly protested against the plan by European Parliament President Klaus Hansch to meet with a delegation from the so-called Free Papua Organization. In his protest letter on behalf of the Indonesian Government, Foreign Minister Ali Alatas said the European Parliament's move constitutes interference against Indonesia's sovereignty and territorial integrity. Alatas said a noble institution like the European Parliament should not lower its dignity by meeting with illegal groups involved in international terrorism.

Alatas also explained the history of Irian Jaya's integration into Indonesia, which was through a self-determination process under United Nations auspices. This was later ratified by the issuance of UN Resolution 2504. Alatas stressed that such action by any government, organization, or international agency to support a movement opposed to the Irian Jaya people's act of free choice [four preceding words in English] amounts to interference in Indonesia's internal affairs.

Indonesia: Diplomatic Ties Established With Andorra

BK2703061096 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 27 Mar 96

[FBIS Translated Text] Jack Ghaffar, Indonesian charge d'affaires for France, signed a joint communique in Paris yesterday on the establishment of diplomatic ties between Indonesia and Andorra, a small country located between France and Spain.

Representing the Andorra Government, Andorra Ambassador to France (Barrister Matthew) expressed hope that economic and trade ties will be enhanced following the establishment of ties. Andorra is a country with special autonomous status and has diplomatic relations with 40 countries. In his speech, Jack Ghaffar said the establishment of ties reflects Indonesia's active role in maintaining world peace.

Indonesia: Minister on Media's Influence, Antiestablishment Groups

BK2703061296 Jakarta SUARA PEMBARUAN in Indonesian 26 Mar 96 p 1

[Unattributed report]

[FBIS Translated Excerpt] Jakarta, 26 Mar — Home Affairs Minister Mohamed Yogie S. Memed says several issues, namely the growing influence of the mass media, the emergence of new antiestablishment groups, political maneuvers by certain political parties, and the existence of problematic political and mass organizations, should be watched closely on the eve of the 1997 general elections.

The home affairs minister said this in his speech at the opening of a working meeting by provincial governors in Jakarta on Tuesday [26 March] morning. The working meeting will end on Thursday. The meeting will also have the coordinating minister for political and security affairs, coordinating minister for economic and finance supervision and development, and coordinating minister for public welfare as speakers.

Yogie called on the governors to apply existing laws to deal with the problems arising from the political party's internal structure. He also urged them to work together with related government agencies.

Commenting on the 1997 election, Yogie said governors must, in a thorough manner, take action based on the New Order's determination to implement the Pancasila ideology and the 1945 Constitution . [passage omitted on campaign against alcoholism]

Indonesia: Official Urges Serious Attention to Drug Trafficking

BK2703064696 Jakarta TVRI Television Network in Indonesian 1000 GMT 26 Mar 96

[FBIS Translated Excerpt] Drug abuse and trafficking has not shown a significant increase in numbers, but the government must pay serious attention to such illegal activities. Retired General Sudibyo, chief of BAKIN [State Intelligence Coordinating Agency], said this at a meeting in Jakarta aimed at implementing the 1971 Presidential Decree no. 6.

Sudibyo said Indonesia has become a point of transit and negotiations for drugs. Ganja cultivation in several countries in the region to shorten the distance for distribution to targetted countries is also a serious threat to Indonesia. Coordinated efforts both at the central and regional levels to combat the threat are therefore needed. [passage omitted on juvenile delinquency]

Laos

Laos: Thai Envoy Says Party Changes Not To Affect Economic Ties

BK2203135696 Bangkok BANGKOK POST in English 22 Mar 96 p 8

[Report by Phanrawi Tansuphaphon from Vientiane]

[FBIS Transcribed Text] Economic ties between Thailand and Laos are unlikely to be affected by the new line-up in the leadership of the ruling Lao People's Revolutionary Party, the Thai ambassador to Laos said yesterday.

Somphan Kokilanon expressed confidence that economic relations with Laos would continue to develop despite changes in the party's politburo, announced at the end of its sixth congress on Wednesday.

But a diplomatic source said the changes would slow down the pace of foreign investment entering the landlocked country.

The envoy and the diplomatic source were commenting on the dropping from the politburo of Khamphoui Keobualapha, who is deputy prime minister in charge of economic affairs and president of the committee overseeing planning and investment.

Observers expect Mr Khamphoui to be replaced in his economic role.

The source said the new politburo line-up will lead to a cabinet reshuffle and the flow of investment will be affected during the transition as it will take time for a new minister to come to grips with economic affairs.

The Laotian government is expected to make a wide-ranging reshuffle next month which will require approval from the National Assembly.

The source said: "If the one who replaces Mr Khamphoui is not an expert on economics, decision-making may take some time."

Finance Minister Saisomphon Phomvihan is seen as a candidate for Mr Khamphoui's post, the source added.

In Bangkok, Foreign Ministry spokesman Suraphong Chaiyanam said the new line-up implies Vientiane is refusing to be dictated to by foreign countries.

"This is a signal to Thailand and western countries that Laos is not an extension of the Thai economy," he said.

Mr Khamphoui and Mr Phao Bounaphon, Minister of Communications, Transport Post and Construction, who were both dropped from politburo and have no place in the party's central committee, are said to have close ties with Thailand.

Mr Suraphong said the impact of this new line-up would not be different from the last party congress in 1991 when interior Minister Gen Sisavat Keobounphan was dropped from the politburo.

"This new line-up shows the party is firmly in control and focuses on political stability without foreign influence," he said.

He said the five elected politburo members were ideologues and played prominent roles in the country's security.

They are party president Khamtai Siphandon, Defence Minister Choummali Sai-gnason, Information and Culture Minister Osakan Thammatheva, Forestry Minister Sisavat Keobounphan and Interior Minister Asang Laoli.

However, the transfer of power is peaceful and stable, Mr Suraphong said of President Nouhak Phoumsavan who voluntarily retired from the politburo but was elected to be party adviser.

Mr Surapong expressed the belief Laos' foreign policy will not be affected, but will continue to serve economics interests in the same way as other countries in the post-cold war era.

"Laos' economic reform will continue but it remains to be seen at what pace. Nevertheless, all depends on the country's interest," he said.

Laos: Political Report to Sixth Party Congress

BK2303145896 Vientiane Vitthayou Hengsat Radio Network in Lao 0115 GMT 18 Ma[illegible]

["Political report" presented by Khamtai Siphandon, chairman of the Lao People's Revolutionary Party Central Committee and prime minister of the Lao People's Democratic Republic, to the Sixth Congress of the Lao People's Revolutionary Party in Vientiane — live]

[FBIS Translated Text] Respected Presidium of the Congress, Respected Local and Foreign Guests, Beloved Delegates to the Congress:

On behalf of the Party Central Committee, I would like to present a political report to our party congress.

After winning a complete victory in our struggle for national liberation in 1975, faithful to the national interests and the aspirations of our multiethnic people, our party has guided all of the masses into a new period of revolution, a period with a popular democratic regime, along the path of advancing toward socialism. It was the beginning of a new era, an era of building Laos into a country with peace, independence, democracy, unification, and prosperity.

In taking the first step along this said path, our party paid attention to drawing lessons from both our successes and shortcomings and to upgrading the party's line to be more compatible with the reality in the country as well as with the overall trend in the world. The seventh plenary session of the second Party Central Committee held in 1979 initiated an effort of turning to an efficient new economic management mechanism. That policy has been more clearly upgraded and broadened since then, with more detail step by step. The main goal of the policy was discussed at the Fifth Party Congress and the fifth and eighth plenary sessions of the fourth Party Central Committee.

At the Fifth Party Congress, the aforementioned policy was transformed into a new principled, comprehensive restructuring policy. That historic achievement clearly reaffirmed that our party has always remained active and possesses a sense of courage, creativity, wisdom, and talent, as well as a deep sense of responsibility in leading our country, with respected and beloved Comrade Kaysone Phomvihan as the leader guiding the cause of restructuring, a leader who has made great contributions to this endeavor.

Part I. Outcome of the Implementation of the Cause of Restructuring and the Resolution Adopted at the Fifth Party Congress

1. Achievements

Beloved comrades, the international situation has changed in a complex manner in the past 10 years. Nonetheless, we have firmly and unwaveringly adhered to our ideals and have successfully implemented and translated into reality the cause of restructuring and the resolution adopted at the Fifth Party Congress. The most outstanding achievement was the promulgation of the first Constitution of the Lao People's Democratic Republic [LPDR] and the socioeconomic development plan for the 1993-2000 period, which was to become an important landmark for transforming our party's line, a fundamental law of the state, and a strategy for national development. At the same time, we have also guided our entire party and all of our masses to further enhance a sense of sovereignty and mastership, as well as a sense of perseverance, to build strength independently, thus effecting numerous positive changes in our country. These are: political stability has become firm; social security and tranquility has been fundamentally ensured; socioeconomic development has evidently made progress; the people's living conditions have been improved; the multiethnic peoples have become more united and confident in the party's line and the future of the country; and the LPDR has made more and more friends.

The achievements we have made in each sphere are as follows:

The Economic Sphere

The outstanding achievement is that our national economy has continually been developed for the better. On average, gross domestic production increased by 4.8 percent per annum from 1986 to 1990 and by 6.4 percent per annum from 1991 to 1995. More significant in this endeavor is that we managed to build some material and technical foundations and structures to become factors for promoting socioeconomic development to attain a new status.

In particular, in the agriculture-forestry sector, our farmers have endeavored to implement the party's policy of switching from the nature-based economy to the market economy by using their families as the starting point and initial unit. Worthy of note is that the number of model families carrying out intensive agriculture and animal husbandry for commercial purposes has increased markedly in all localities. With the consolidation of the strength of the state and people, material and technical foundations for our agricultural sector have been further upgraded and developed. The industrial processing of agricultural and forestry products has sprung up in some areas. Another extraordinary phenomenon is that the multiethnic peoples in many localities have come to realize the adverse effects of slash-and-burn farming and have gradually switched to engaging in other professions, while the party and administration have made overwhelming efforts to provide them with land for a permanent livelihood and residence through appropriate measures and methods for each locality.

Local administrations in certain localities have taken the initiative in implementing the policy of granting wooded land to the people for preservation, management, and use. Tree planting and the rehabilitation and upgrading of forests have also made initial progress in some areas.

To effect restructuring in rural areas, we have launched a comprehensive rural development plan. So far, cultural and economic groupings have gradually been set up in many localities with potential thanks to the initiative of the people, assistance from the state, and contributions by various economic sectors. These achievements have brought a new face to many rural areas and forged a firm foundation for our political system. This development is clearly displayed through the fact that our people have now become closely united and have taken the initiative in building the country and energetically engaging in goods production, thereby generating more earnings for their families and, at the same time, establishing various charitable institutions, such as schools, health stations, irrigation facilities, and rural roads.

Another praiseworthy phenomenon is that our people have jointly invested in expanding the electricity networks in villages by installing small generators, thus creating favorable conditions for production and raising the life quality of the people.

With regard to industry, we have focused on building some sectors with certain potential. So far, industrial foundations have been developed for energy, mining, construction materials, and light and small industry for domestic consumption and export. Our traditional handicrafts have not only been preserved but widely promoted. Artistic handicraft products have become more popular with foreigners.

Being aware of the importance of the infrastructure for socioeconomic development, over the past years we have channeled capital for improving and developing the communications and telecommunications systems. National highways and some important local roads have been repaired and reconstructed, thus making communications and transportation more convenient and secure and gradually linking regional communications routes. Telecommunications work has made progress and has gradually been modernized.

The services sector, which constitutes an important component of the national economic structure, has been developed—particularly the tourism sector.

To allow national development and construction to progress correctly along the path of restructuring, we have paid attention to consolidating and strengthening the government's role of macro management. First, we have worked out long- and short-term socioeconomic development plans. At the same time, a number of plans for developing regions and national work plans have been worked out to appropriately enhance national and regional potential and to provide clearer orientations for attracting foreign investment.

In another aspect, we have actively improved a mechanism and policy suitable to a market economy. The national financial policy has been improved, thus strengthening the money situation in many respects. The management of currency circulation has been carried out more efficiently. Domestic and foreign trade has been expanded. The coordination system between various agencies concerned— especially between the financial, trading, and banking circles—has also been improved. This has strengthened our ability to manage the market to a certain extent.

The economic cooperation with other countries has clearly progressed. More foreign investors have gradually invested in our country. Such foreign investments include the major construction projects that serve as potential for our country, such as the energy industry and mining exploration and operations.

Economic relations with various countries and regions have been broadened. The work of dissemination of scientific news and information has advanced another step. The research and application of technology has gradually been promoted. We are considerably aware on this issue and have established a number of measures to protect natural resources and the environment.

In the cultural and social field, along with our attention to the economic development task, we have devoted our efforts to social development with a view to practicing the precious laws of our regime for the sake of well-being of the public, which are regarded as vital strength for national development. First, we have put more investment into educational reform by actively improving and expanding basic materials and technical bases and appropriately revising the school system. The study curriculum has been adjusted, while the standard of teachers has been upgraded and more management and control of education has been carried out. Generally, the educational quality has been improved. We are pleased to see that there has been a greater social contribution to educational development, thus creating greater opportunities and conditions for more children of various ethnic groups to be enrolled in the schools.

Public health work has been improved and its networks have been extended to various localities and grass- roots areas. More attention has been paid to disease control activities. As a result, serious epidemics by and large have been eradicated. Vaccination and inoculation projects for children have been extensively implemented. This is aimed at making our country free from poliomyelitis and other diseases in the future.

Sports work has enjoyed a level of new advancement. Mass sports activities have been considerably promoted and expanded.

Our party and state have made great efforts to implement various social systems and policies, such as the improvement of the salary system and social security system for state enterprises. At the same time, we have carefully introduced various schemes of assistance to pensioned cadres, cadres with distinguished performances contributing to the revolution, and the families of those who made sacrifices in the era of revolutionary struggle. More assistance has been given by the state and society to those suffering from natural disasters as well as to orphans .

The development and protection of labor within and outside the country has been actively initiated. We have paid attention to the issue of guaranteeing social justice, as for example the legal equality of public citizens. At the same time, we have imposed a number of measures to protect the legitimate benefits of workers and encourage people of all strata to carry out their obligatory duties to the country in accordance with the law. We have imposed measures against the violation of the self-mastery rights of public citizens.

Propaganda and information work has been energetically improved, resulting in a better performance of duties than before. Material and technical foundations have been reconstructed and replaced. The voice broadcasting and picture transmission capabilities of the national radio and television have increased both in terms of content and variety of programs.

With a sense of pride in a fine culture, which serves as a source of national identity, our people have made great contributions to the protection and promotion of the cultural heritage of the nation and various ethnic groups. Furthermore, they have also enhanced their creativity, creating products in the arts and literature, making inventions, and giving performances to more extensively satisfy public needs. Cultural exchanges between ethnic groups, and localities inside the country, as well as between our country and other countries, have also been broadened in various ways.

Regarding the national defense and public security maintenance sector, we are very proud to see that our entire party, armed forces, and public regard the national defense work as a major strategic duty. The principle of national defense and public security maintenance has been comprehensively implemented by all the public with a determination to firmly protect the national liberty and sovereignty and the people's democratic regime. Through training and other related activities, our national defense and public security forces have gradually developed and become more experienced in their specific fields. Cadres and combatants have enhanced the fine traditions of the people's armed forces and performed their duties and work with a devoted spirit to record glorious achievements. At the same time, our armed forces have made important contributions to national construction and development, such as in remote and ethnic mountainous areas, by correctly following the guideline of closely linking national defense and public security with socioeconomic development.

Regarding the foreign affairs sphere, with the dynamic activities carried out by the party, state, and mass organization under the foreign policy of peace, independence, friendship, and cooperation, the scope of our country's relations with the international community has been broadened in all aspects and in varying degrees. The status and role of our country in the region and international arena have been further enhanced.

We are very pleased to see that the relations of friendship, special solidarity, and all-round cooperation between our country and the SRV have been incessantly strengthened in a practical and effective direction in accordance with the restructuring cause of each country and the specific characteristics of the international situation. The traditional relations and cooperation between our country and the PRC have been broadened and deepened in accordance with the new mechanism. The fine neighborly relations of friendship between Laos and Cambodia have been further enhanced. Our comradely solidarity and friendship with Cuba and the DPRK have been further strengthened. The friendship and cooperation between our country and Myanmar [Burma] and the Kingdom of Thailand and the ASEAN countries have been elevated to a higher level. At present, we are actively preparing necessary conditions to become an ASEAN member in the immediate future.

Our relations and cooperation with the developed and industrialized countries and other countries have been gradually developed. We have made appropriate contributions to the activities undertaken by the UN, the Non-Aligned Movement, and the Francophone countries for the cause of global peace, friendship, and cooperation. At the same time, we have also increased coordination and cooperation with various international organizations.

Our achievements in international affairs have created an environment favorable to national defense and national construction and development by our people.

Regarding our political system, first of all we have paid attention to consolidating and upgrading the leadership capability of our party as the core of our political system. We are very proud to see that the party committees at all levels and most party members have appreciated, understood, unanimously accepted, and been faithful to the restructuring cause and, at the same time, have striven to educate the multiethnic people to more profoundly understand it, thus enabling them to have more faith in the future of the country.

To continually improve the party's leadership capability, our party has upgraded its organizational line to conform to the political line in each period. One of the most prominent developments is the upgrading and adjusting of the organizational system and the leading patterns of the party committees at all levels — from the central down to the grass-roots — by strictly adhering to the principle of centralism and extensively promoting democracy within the party, focusing on consolidating and setting up grass-roots party organizations, and promoting mutual criticism. Most party members have continued to maintain their exemplary deeds in carrying out their duties and adhering to the principle of revolutionary virtue.

Typically, the party expansion has been carried out on the basis of using quality as a primary factor and with mass participation. Over the past 5 years, the number of party members has increased to more than 75,000.

In parallel with the work of party building, cadre work has also undergone active changes in many aspects. All in all, most cadres are still able to maintain the party's political stand and principles and are imbued with a spirit of enthusiasm in fulfilling their duties.

In recent years, the party committees have stepped up their leadership in the inspection work, making it more profoundly systematic, thus contributing to the preservation and maintenance of the unity, discipline, and purity of our party and checking and preventing corruption among the rank of cadres.

To further increase the strength and stability of our political system, we have attentively consolidated and enhanced the role of state organizations along the line of building a state of the people, by the people, and for the people. In recent years, state organizations have striven to execute their duties and fulfill their roles and have closely coordinated the work of the executive, legislative, and judiciary organizations as specified in the constitution, as for example by transforming the party's line and overall policies into laws and regulations as well as detailed policies, thus making the management of state and society progressively more efficient. The working patterns and activities of the state apparatuses at various levels have been changed along a more efficient line.

In the new period, our party has stepped up its leadership toward mass organizations, which act as important factors in our political system. As for the mass organizations, they have made attempts to consolidate themselves in order to carry out various activities in a more fluid manner.

We welcome and are pleased with the fact that the multiethnic people of all strata are united as one in the unified Lao nation and have harmoniously enhanced the equal right and mastership in the cause of national defense and national defense in a more attentive manner.

Beloved comrades, all the achievements have been attained thanks to, first of all, the fact that our party has correctly and promptly adopted the restructuring cause in conformity with the reality in the country and the aspirations of the people as well as with the changes in the international scene. The said successes are the culmination of the unity and perseverance of our entire party, Army, and people. Our congress wholeheartedly hails our compatriots of all ethnic groups, strata, and sex and all cadres, party members, and combatants for holding aloft the spirit of patriotism, enhancing a sense of creativity and wisdom, and making physical and material contributions to the cause of national defense and national development. [Applause]

The aforementioned glorious achievements are the outcome of a harmonious coordination of the exploitation and promotion of national potentials on the one hand and the sympathy, assistance, and support of our friends from far and near in the international community on the other. On behalf of the entire Lao people, our congress would like to express our profound gratitude and thanks to those fraternal and friendly countries and the international organizations. [Applause]

All the aforementioned achievements are extremely significant to the continued enhancement of the revolutionary fruits gained by our people over several decades of great sacrifices. They have further become a source of encouragement, creating more faith for our multiethnic people in the party's line and the future of the country.

2. Shortcomings and remaining problems

While rejoicing over the achievements, we also admit that a number of shortcomings and remaining problems still exist and need serious rectification. First of all, we must understand that appreciation of the party committees and services in the cause of restructuring and policies outlined by the party remains shallow and not unified. Worse still, confusion and deviation in their implementation has been prominently displayed in the following domains:

The implementation of the policy of encouraging various economic sectors to contribute to national construction and development on the basis of equality in accordance with the laws remains ineffective. The attitude of each economic sector is unclear. Each economic sector fails to understand its economic and social effectiveness, which is why a number of state enterprises have been transformed into other forms in a hurry, causing damage and loss of state assets. The mechanisms and regulations in managing state enterprises have not yet been adequately recognized and synchronized, thereby leading a number of them to be operated in an ineffective manner. State organizations have not yet enhanced their roles in managing the market economy. Many aspects in this regard have still been neglected. For example, financial and monetary management has not been firmly, strictly, and closely systemized. The management of market and prices as well as the storage of goods for price intervention when needed have not yet been actively initiated and implemented and no effective measures in this regard exist.

The policy of switching to goods production by relying on the family as the primary unit has not yet been promoted and encouraged with comprehensive and detailed implementation plans. So far we have not studied and organized any forms of economic cooperation for farmers.

The services and industrial sectors have not yet fully promoted the switching from the nature-based economy to the market economy. The promotion of the channeling of capital to agricultural production has hardly been carried out. Central-level services have not yet actively rendered support to the local party committees and administrations in carrying out rural development.

Food production remains a major problem, particularly rice production. No practical projects for each particular plain area with potentials have been worked out. The implementation of land management measures has not been strictly executed. The policy of granting wooded land to the people for preservation, management, and use has not yet been extensively and uniformly implemented throughout the country. Even though the project on restricting slash-and-burn farming and setting up professions on fixed land has been welcomed and agreed upon by the multiethnic people, we still do not have practical measures for implementation suitable to special characteristics of each locality. The work in protecting and rehabilitating forests and in planting trees has not yet become an extensive mass movement. The survey and collection of fundamental statistics for regional development and the development of various economic sectors have been marginally carried out. No overall master plan on the development of infrastructure and material and technical foundations exists. No quality control measures for various construction projects has been mapped out; and control and inspection of such projects is very lax. There exists no detailed policy on the promotion and protection of domestic industry and handicrafts.

In addition to the aforementioned shortcomings in the economic sector, a number of remaining problems still exist in the social and cultural sphere. The most outstanding issue is that we still do not have comprehensive measures to resolve the linkage between the rights, interests, and obligations of citizens. Laws and regulations we have adopted have not yet been strictly enforced, thereby affecting equal rights and social justice. The adjustment and redistribution of income have not been fairly executed. Educational reform remains slow and fails to meet practical needs. For example, no methods have been devised to raise the general knowledge of the public and to create a rank of intellectuals and academics to meet the increasing requirements of national development in the new period.

Party and state policies on public health have not been thoroughly implemented. Several aspects in the provision of leadership and ideological and ethnical education to medical staffs remain weak. Many loopholes still exist in the state management and control of medical services. No clear-cut regulations on free and paid medical treatment have been laid down. We do not yet have measures for mobilizing the entire society to cooperate with the state in implementing the policy toward pensioned retirees, those persons who committed good deeds and virtues for the revolution, and the families of those who made sacrifices for the country.

Generally speaking, the preservation, safeguarding, and enhancement of the fine culture of our nation and the various multiethnic tribes has not yet become a mass movement. No study has been conducted on the foundation of the fine arts, customs, and traditions of our nation. A number of phenomena of social negativism have occurred while rectification measures remain ineffective and non-current.

Our comprehensive national defense and public security maintenance guidelines have not been regularly executed. The implementation of the orientation in coordinating national defense and public security maintenance work and the work in grass-roots building, rural development, and cultural expansion has not been firmly and extensively carried out. The upgrading and building of the armed forces, especially the building of self- defense and public security forces at the grass-roots level in rural areas, has not yet been thoroughly and profoundly executed.

With regard to foreign affairs activities, the key remaining problem is as follows: We have not yet fully exploited and enhanced the existing potentials and capabilities in this sphere. If there were close coordination among the various services concerned and if sovereign activities were carried out at a higher degree, the relations and cooperation between our country and other countries and international organizations would become more effective and the role of our country would be raised higher than they now.

With regard to the political system, progress made in this area still fails to meet the needs of our political tasks in the new period. Party organizations in many localities have not been firmly consolidated and their activities have been irrelevant, thus considerably affecting the leadership role of the party. The transformation of the party's leading methods and patterns at various levels remains slow and fails to meet current needs. Ideological education and theoretical study work has not been carried out in a profound, sharp, and systematic manner and a number of cadres and party members have not yet enhanced their sense of responsibility, creativity, and exemplariness in leading. Many remaining problems still exist in cadre work and need vigorous rectification, including the problem of mapping out plans, training timetables, management and utilization schemes, and policies.

The consolidation of state apparatuses at various levels has not yet been profound. Working patterns and methods have not yet been fully modified, thus leading to the occurrences of overlapping roles, tasks, and duties and lacking in close cooperation among the services. As a result, the level of efficiency in state and social management remains low.

Various existing mass organizations are still in a state of transformation. Several aspects of their organization and activities still need improvement to conform to the new conditions in order to enhance and mobilize the strength of the people of all sexes, ages, and strata, including multiethnic intellectuals, learned persons, Buddhist clergy, and businessmen, to more vigorously engage in national construction and development.

The aforementioned shortcoming and remaining problems are due to various factors — both internal and external — but the primary factor is that a sense of initiative and responsibility maintained by the party committees and services at various levels in organizing the transformation of the party's line and policies into detailed work plans suitable to the reality in each locality remains low. These elements have not yet made serious efforts and persevered in genuinely carrying out these tasks.

The mobilization of the consolidated strength of the entire society to resolve various problems has not yet been actively and fully carried out. Coordination and cooperation among the services concerned as well as between the horizontal and vertical lines are not yet harmonious and unified. Guidance and leadership in this direction remain shallow and impractical. The problems of bureaucratic tendencies and extravagance have not yet been thoroughly remedied. Due to these causes the implementation of our party's line has not been as effective as expected. We must strive determinedly to resolve these remaining problems together.

3. Summation and lessons drawn from the application of the restructuring cause

Beloved comrades, in spite of the application of restructuring and the implementation of the resolution adopted at the Fifth Party Congress, we are still encountering the aforementioned shortcomings, but we can clearly see that the achievements we have attained are still outstanding and fundamental. From the said activities, we are able to summarize and draw a number of lessons as follows.

(1) The strengthening of unity and unification in the entire party and masses, the holding aloft of the spirit of patriotism, and the enhancement of a sense of sovereignty, mastership, self- reliance, and self-building are decisive factors of the achievements of the restructuring cause. This is an excellent lesson and a fine tradition of our party and people, which has been displayed throughout the past period of revolution for national liberation and the current period of national defense and national construction. This lesson shows that our party always pays close attention to strengthening the unity within the party and to transforming it into the substance of national concord and the core for mobilizing the multiethnic people of all ages, sexes, and strata, who are patriotic and cherish the new regime, to build the consolidated strength for the cause of national defense and national construction.

To ensure unity and unification within the party, first of all we must strengthen unification within party committees at all levels, especially among the party's supreme leadership organization, on the basis of the party's line, policies, and organizational principles so as to define the line, policies, and plans, to correctly resolve important strategic issues of the nation, and to organize their effective implementation.

Our party has held aloft the spirit of independence, sovereignty, and creativity. It has firmly grasped the reality in the country and the aspirations of the people as well as the law of change in the international situation in each period. At the same time, the entire party and masses can be educated to appreciate the party's line, to cherish national pride, and to rely on the strength of the people and natural resources in the country to create wealth for themselves and to develop and make the country prosperous.

(2) Rely on the people, enhance the great strength of the people, and do everything for the interests of the people. This is a major lesson which has been consistently drawn by our party in each period of the revolution. Firmly adhering to the fundamental vision that the revolutionary cause belongs to the masses and the masses themselves create history, our party always relies on the people because the party itself was born from a popular patriotic movement. The objectives of our party are to meet the just interests and aspirations of the people. That is why our party carries out its activities along the mass line and constantly remains close to the grass-roots. Whenever it studies and maps out any particular line, plan, policy, and resolution, our party always solicits views of and seeks out problems and requirements from the people as a starting point. After that, it proceeds to set up a way to organize and transform such views into an actual program reflecting the well- being of the people and the prosperity and strength of the country. That is why the entire people always follow the party's line and give support and assistance to our party.

(3) To ensure political stability, security, and social order is a prerequisite condition for restructuring. To allow the restructuring cause to be successfully fulfilled, it must be comprehensively and completely implemented through appropriate steps. Developments within our country and in foreign countries indicate that the restructuring cause cannot proceed unless political stability, security, and social order are guaranteed.

Clearly understanding this important characteristic, our party has mapped out a guideline to closely link politics, economics, cultural and social issues, national defense and public security maintenance, and foreign affairs.

In addition, we also acknowledge that restructuring is the newest task for us. Therefore, it must be firmly executed step by step. We must simultaneously implement and draw lessons from it and utilize its achievements in the economic field as the strength for upgrading, strengthening, and effectively exploiting the political system of popular democracy, thereby gradually increasing political stability and making society more peaceful and secure.

(4) To step up the party's leading role in all spheres of work and to cherish the effectiveness of state management is one condition ensuring the correct application of restructuring in accordance with the party's line and objectives.

Our party initiated and led the restructuring cause with a set of clear-cut ideals and objectives. Therefore, it must always cherish a sense of responsibility in guiding the entire society. First of all, it must pay attention to constantly engaging in ideological and political work and consolidating and upgrading its own leading capability. It always remains alert to any new developments and its own shortcomings. The party reviews and draws lessons from its own activities as well as those of foreign countries in a creative fashion with a view to upgrading and perfecting its own line.

Our party pays attention to grasping, upgrading, and training cadres and to implementing a policy toward them. It has adopted strict measures to do away with bureaucratic tendencies and phenomena of negativism among all cadres and party members. That is why it is able to maintain and further enhance its influence and role over and to solicit the confidence of the masses in the party's line and leadership.

Under the conditions that the party controls power and that a direction for [words indistinct] step by step exists, our party attaches importance to the appreciation of the effectiveness of state management in order to allow the state power system to become a genuine power of the people, by the people, and for the people.

(5) To enhance and combine the national strength with the epochal strength and to acquire principled international support and assistance is indispensable for national construction and development.

To harmoniously combine national strength with the epochal strength is one of the laws of victory of the revolution in our country. Our party adheres to a clear vision that in order to effectively enhance external strength, first of all we must expeditiously encourage our people to hold aloft a sense of perseverance in creating wealth and strength by themselves by relying on the consolidated strength within the country. That is why the internal strength constitutes the primary factor and the external strength the (?secondary one).

The aforementioned summation and lessons have been thoroughly drawn from the leadership activities of our party. Therefore, we must firmly grasp, appreciate, and regard them as a prop for continuing the restructuring cause in the years to come. [Applause]

Part Two: Continue to build and expand the popular democratic system; set up plans, policies, direction, and tasks for the next five years — from 1996 to 2000.

Beloved comrades, to further enable the country to march toward achieving the adopted objectives, we should profoundly study and analyze the international situation, with particular referrnce to the practical conditions in our country, with a view to putting forth appropriate plans, policies, directions, and duties for further implementation. In the near future, mankind will enter the 21st century. In general, the world situation will continue to change in a complicated manner while various conflicts, old and new, will emerge in varying degrees of complexity. They will sometimes create favorable conditions and sometimes bring about challenges and trials for various nations. The aforementioned situation will prompt various countries to appropriately consolidate their strategies on the maintenance of relations with their fraternal countries.

Under this new situation, certain socialist countries have made great efforts to overcome various difficulties and trials. Some countries have achieved glorious successes in carrying out reform and renovation work. Those countries have continued to march firmly forward. These countries reflect a new, vital form of socialism. At present, the danger and threats arising from a nuclear holocaust have been reduced. But conflicts and clashes have not yet disappeared. One significant point to note is that the scientific and technological revolution in the world is expanding as never before, as a result of which the trend toward the internationalization of the economy, the gathering of various countries to form economic and trade groups, and the trend toward cooperation and mutual assistance as well as the trend toward competition have been in full swing. Various nations have put forth appropriate national development strategies in order to open up favorable opportunities and overcome new, intense challenges and difficulties. Unequal development has even increased and the gap between the rich and poor countries has been even widened. It is evident that the trend in some countries toward a sense of nationalism, independence, and self-mastery is ever more related to the broadening of international relations. The Asia-Pacific and Southeast Asia are regions undergoing rapid and continuous economic growth, but factors for instability still exist.

It can be seen in the aforementioned international situation that our country is facing a new opportunity, one which favors our cause of building and developing the country to become an advanced and modern country. However, we must clearly examine the obstacles that are on our path toward advancement so that we can seek suitable means to overcome them. First and foremost, we must understand the practical conditions of our country. At present, our country is still considered an underdeveloped country; our people are still suffering poverty; the standards of living of those in towns and rural areas and those in the plains and mountainous areas are still very far apart; there is still no firm basis for the national economy; townships and land in the plains have been initially developed while the mountainous areas where hilltribe people live have not been developed very much at all; the turning of the natural economy into a goods-oriented economy is still at an initial stage; the industrial and service work has produced only some fruit; the communications work in general has not yet brought about good results; potentials in various fields have scarcely been exploited; the production force in general has been developed in a slow manner; farmers, who make up most of the population, are still earning their living through the use of primitive tools and their working efficiency is still at a low level; the number of workers is still small and not many of them have maintained professional skills; the level of the people's knowledge is still low; there is still a shortage of competent leading and technical cadres, especially in localities; the production relation has not yet been explicitly developed, and certain points of the relation still do not conform to the characteristics and the level of the production force; many necessary laws and regulations have not been practical; and state management has not been sufficiently developed. All these points constitute one side of the practical conditions in our country.

We have also clearly seen that following the establishment of the popular democratic system over the past 20 years, especially since the implementation of the restructuring cause over the past 10 years, our country has effected positive changes and achieved development in many fields; a number of infrastructural projects as well as a number of modern material and technical establishments have been set up; the number of competent cadres and technicians who have gained practical experiences in working has been increased with each passing day; the Lao people have maintained their patriotic tradition, cultural identities and fine customs as well as their unity, perseverance, industriousness, honesty, generosity, and friendly spirit toward foreign guests. Our country has maintained a stable political system, kept peace and public security, pursued a correct line, and followed a clear-cut national development plan. Our country has also maintained extensive relations with friendly countries throughout the world.

Another important internal factor is the fact that our country possesses immense latent potentials, especially its rich, natural resources: the soil, which is good for all-round agriculture; the invaluable forests; and the rivers, which serve as sources for electric energy production and irrigation purposes. We also have various species of mineral ores as well as beautiful scenery. Moreover, our country is situated at the center of the subregion, and is therefore suitable as a center for services and a passageway for economic, trade, and tourism relations and exchanges among neighboring countries and the rest of the world.

The aforementioned practical conditions of our country show that there remain many difficulties ahead. However, we also have many fundamentally favorable conditions. An important decisive factor is that we must enhance our spirit of initiative and endeavor in putting things into actual practice. We must also take the initiative in firmly grasping and making use of the new, favorable opportunities.

Beloved comrades, on the basis of this analysis of the specific points of the international environment and the balance between the difficulties and the latent potentials, we can clearly see that we have sufficient capacity to build our country into a prosperous and progressive one in accordance with the pace and development plan laid down for each stage. On the basis of this spirit, our party has set the following goals for the period from now to the year 2000:

In striving to rid our country of underdevelopment, the economic and social sectors must be developed and they must undergo new changes on a different level from the present one. This will mean that agricultural and industrial production is developed and modernized, the people's material and cultural living conditions are normalized and improved, all citizens enjoy education and public health services, the fine natural culture is fruitfully promoted and enriched, and basic social welfare is guaranteed. We must have individuals and a labor force capable of meeting the basic needs for national development. Society enjoys tranquillity. The popular democratic political system with the party as core must be solid and strong. Our country maintains broad relations and cooperation with the world and must be capable of achieving development and joining the common trend of the epoch.

Only by so doing can our popular democratic system be strengthened and firm bases be built for the construction of Laos with peace, independence, democracy, unification, and prosperity.

Based on the aforementioned overall objectives, for the coming five years — from 1996 to 2000 — we must strive to ensure that the economy grows continuously at a level of 8 to 8.5 percent per year. By the year 2000, per capita income must reach $500. We must set up a number of basic works to serve as a foundation for the industrialization and modernization of the country at the next stage. We must solve the problems of poverty and lack of food facing the people in some prioritized areas in close connection with comprehensive rural development.

To achieve all these objectives, our party has set forth the following general line and tasks:

To enhance the solidarity and unity within the party and among the entire people; to firmly guarantee stability and security; to create favorable conditions for the people's life earnings and national construction and development; and to securely safeguard the country's independence and sovereignty.

To mobilize the strength of all economic sectors and the entire society toward national development; to enhance patriotism and closely link it with an attachment to the new regime; to promote a sense of national independence and self-mastery, industriousness and thrift in building the country; and to strive to stimulate domestic fund accumulations in order to maintain the stability of the national currency and gradually attain self-reliance.

To positively implement the demographic policy in order to have a population growth that relates to the growth of the economy; to raise the knowledge and health of the multiethnic people; to form a professional, skilled labor force that can serve the urgent needs of national development in the immediate future; to settle various social problems that go along with economic development; and to gradually bring about civilization and justice in society.

To increase the role and uphold the leading capacity of the party in all spheres of work; to improve and raise the efficiency of state management through laws governing the economy and society; to vigorously boost the activities of mass organizations; and to promote and expand the people's rights to self-mastery.

To establish friendly relations with various nations and broaden cooperation with friends in the world.

These overall line and tasks are shown in the following domains of work:

1. The Economic Area

Our party reaffirms that our country's economic structure is one that consists of many sectors under different forms of ownership and organizational systems that have coexisted for a long time. These different economic sectors have equal rights under the law and they carry out activities under the control of the state on the basis of the market economy mechanism, which requires the sectors to cooperate and compete with one another but maintains a common obligation, that is, to contribute to developing and building a prosperous and wealthy country.

To turn the natural economy into a goods-oriented economy, it is necessary to have a policy to support various economic sectors in an ever more systematic and complete manner. In this regard, families serve as the beginning point. Families that produce and process goods and services must be promoted as examples. Simultaneously, it is necessary to promote the economic sectors, with the cooperation of the people, in various forms and sizes and at various levels. These economic sectors have been organized on a voluntary basis in response to the genuine aspirations and in conformity with the special characteristics of each locality in order to increase the potential in investment; to gradually modernize and improve the techniques and technology of production, processing, and services; and to apply progressive lessons in management.

We continue to promote and encourage any kind of relationship between the various economic sectors, as for example between the state and private sectors, among the private sectors themselves, and between the internal and external sectors.

While enhancing the positive benefits of the various economic sectors, in the years to come it is necessary to continue consolidating, building, and increasing the efficiency of the state's economic sectors by modernizing and raising the technical and technological standards of production and management so as to allow them to maintain their roles as the mainstay of certain branches of production and services as well as the source of vital products, thereby more effectively fulfilling the political, economic, and social agenda of our party and becoming a source of strength that, in conjunction with other economic sectors, will continuously and steadfastly develop the country.

To enhance the strengthen and potentials of our country in general, and those of the regions in particular, our party continues pursuing the policy of closely linking the agricultural-forestry economic structure with industries and services at an early stage; regarding agriculture and forestry as a foundation and industrial production as a key, accelerating factor; and gradually promoting vigorous development of the service sector along a contemporary path.

In implementing the policy of translating the said economic agenda into reality, our party regards it as important to vigorously continue promoting socioeconomic development in the regions, aimed at fairly classifying production forces throughout the country and effectively exploiting and earnestly preserving and rehabilitating the abundant resources of each region and turning them into major sources of capital and a precious heritage of our country.

The guideline for regional development is as follows: To concentrate on developing the regions with sufficient conditions and potentials in order to build a grassroots foundation and to turn it into a strong prop for supporting other regions, which must be simultaneously developed, especially those in mountainous areas and our former strongholds, which currently remain somewhat backward.

Therefore, we must, first of all, carry out a thorough survey to determine the potentials in each region so that an economic structure can be defined and an appropriate development plan laid down closely linking up with the overall national development plan.

In the meantime, we must try to study and to firmly grasp the development plans and projects currently implemented by the neighboring countries as well as the international cooperation and development plans being implemented in this region in order to link them up with those of our regions. This will show that we have taken the initiative in seizing favorable external opportunities for the interests of our country and also those of our counterparts, thereby contributing to promoting a trend toward development cooperation in this region and the world over. In the immediate future, we must expeditiously construct a long- term strategic plan for national development from now to the year 2020, aimed at translating a resolution adopted at the Sixth Party Congress into directions, tasks, and expectations for fulfillment in each sphere, including directions and policies for attracting investment, participating in international cooperation, searching for capital sources, and soliciting foreign assistance.

To achieve the said goal, it is necessary to actively consolidate the institute for economic strategies studies in order to increase its capability in conducting studies, doing research, and making predictions on socioeconomic development matters and the trend of development in our country, the region, and the world.

Another important policy pursued by our party in the economic field is to continue consolidating and increasing state management of the national economy by means of laws, policies, and comprehensive management mechanisms; to provide advice to all economic sectors to develop in line with the overall socioeconomic development plan; and to create favorable conditions for business production units of various economic sectors to efficiently carry out activities, thus enabling them to compete in foreign markets.

In stepping up state management of the national economy, we must acknowledge the importance of planning work, which provides the direction of development and creates harmony between the economy and politics, between the cultural and social aspects, between national defense and public security maintenance, between the plains and the mountainous regions, and between the economy and the environment.

Therefore, in mapping out both annual and five-year plans, it is imperative that we correctly calculate and prepare sufficient capital, means, and manpower for their implementation. Only by doing this will the plan become more fruitful and the development continually carried out in harmony with the development going on in the world.

In keeping with our overall economic policy, which I have just outlined, I would like to propose the primary orientation for each sphere of work as follows:

Rural Development

Our country is an agricultural nation. Most Lao people live and earn their livelihood in the countryside. That is why rural development is of strategic importance — political, economical, and social. The more the country is developed, the more efficiently the policy of promoting unity and equality among the multiethnic people can be implemented. In this way, production forces can be liberated and developed and the division of social work made more logical. Therefore, the direction of our rural development is to focus on building a family economy of farmers; to increase the number of model families; and to create economic and cultural groups so that goods production will be expanded, people will gradually possess knowledge and enjoy good health and better living conditions, villages become peaceful, and the political system at the village level will become stable.

The orientation of rural development work is to enhance the people's sense of mastership, promote production of the family, consistently create more and more model families, and train more local developers.

The state has a policy of supporting and encouraging various economic sectors to participate in rural development. In particular, in rugged mountainous areas inhabited by multiethnic people, and in former strongholds, at the initial stage, the state must provide them with assistance in the forms of capital, techniques, and technology. The state must also tap the strength of the entire society so that it is directed toward development activities.

For the immediate future, the state must accelerate the launching of development projects in each key area both at the center and in localities. To do this, a thorough economic and technical analysis must be conducted, while capital and means for the implementation of the projects must be ensured and cadres in charge of guiding implementation made available. Coordination and supervision must be stepped up in a unified manner and closely linked to the grass- roots. We must regard it as important in organizing experiments, creating models, and evaluating and assessing the outcome of implementation and [words indistinct].

Agriculture and Forestry Work

Agriculture and forestry still remains a fundamental branch of the national economy. We must pay attention to seriously developing this work by upgrading the level of its production efficiency and closely linking it with the protection and rehabilitation of the land, forestry, and water sources as our primary duty. We must strive to produce enough rice for consumption and to keep a surplus for the future. To achieve this goal, we must implement the policy of promoting model families in each area both in the plains and the mountainous areas in order to promote agricultural production for commercial purposes in accordance with the potentials of each locality.

We must stimulate, organize, and supervise intensive agriculture in an attentive manner with the introduction of advanced technology and the development of material foundations and agricultural techniques, such as medium- and small-sized irrigation systems along the direction of allowing the state and the people to cooperate with each other in carrying out the work.

We must expand research work and set up experimental stations and agricultural service networks in key areas throughout the country. In the immediate future, we must implement and concretize existing development projects in various key agricultural areas, first of all in the Vientiane plains, in order to draw experience from them.

Together with crop cultivation, we must vigorously promote animal husbandry, especially in mountainous areas, in order to turn it into a true potential. To achieve this goal, we must promote the raising of livestock among families in conjunction with the expansion of the veterinary network at the village level and the setting up of veterinary stations in key areas.

We must carry out land distribution with priority being given to land for agriculture and forestry. We must implement the policy of distributing wooded land for people to preserve and use extensively in conformity with the existing regulations and laws. We must continue to solve the problem of slash-and-burn cultivation by concentrating efforts on watershed areas, dense forests, and reserve forests. This problem must be tackled decisively and effectively in each area with a set of comprehensive and systematic steps and methods. In doing this, we must attentively and efficiently organize settlements and fixed occupations for the people and help them solve any problems related to land for production. We must mobilize and promote movements among the masses to plant all kinds of trees for their own consumption and for commercial purposes.

Timber extraction and timber business operations must be strictly managed. Land must be utilized in accordance with the set objectives. In the immediate future, regulations on land use must be defined to suit the reality in our country. After a period of experimental practice, such regulations must be reviewed and lessons drawn from them; they can then be enacted into land laws.

Industry and Handicraft Work

To create an initial basis for industrial transformation, as I mentioned earlier, we must also attach importance to industrial development in conjunction with agricultural and forestry development. The need in this area is to carry out the exploitation of the potentials of natural resources with specific objectives, ensuring that there are reasonable, commercial benefits for our economy and society and that the environment is protected. In the immediate future, efforts must be stepped up to make surveys and search for hydro energy and geological potentials so as to collect fundamental data for mapping out a strategy for systematic industrial development. Relying on the potentials within the country, we will expedite industrial development in the electricity and mining areas. At the same time, we will promote the development of light industry, small industry, and handicraft work with the aim of processing agricultural and forestry products as well as raw materials available within the country into consumer goods and construction materials to meet domestic needs. We must reduce import of nonessential goods and promote export production. Efforts must be made to gradually set up an industrial system in each region of the country, for example, in central areas, to become a foundation for industrial transformation in the future. People must be encouraged to install and build small hydroelectric facilities that serve their daily life.

Transport, Communications, and Construction Work

The transport and communications sector is a sharp tool of strategic importance for national development and enhancement of the strength of the geographical location of our country. Therefore, we must modernize and make transport and communications work efficient and functional and extend its service to all important areas throughout the country. In the immediate future, we must improve and upgrade the quality of road surfaces of both vertical and lateral national highways and widen a number of them so that they can link up with the road systems of neighboring countries. We must lay down a long-term plan for the development of the communications system, including automobile, train, water, and air transport routes. We must improve and expand local roads, ensuring that all districts and key socioeconomic areas are accessible, thereby facilitating the transport of goods and passenger services.

Postal offices must be set up in all districts and key areas. More convenient direct telephone contacts must be ensured between the center and all provinces and districts throughout the country and between this country and other countries.

Urban construction and development work is also gaining more significance. Our urgent task is to pay attention to preserving and renovating the city of Luang Prabang, which has been recognized as a world heritage. At the same time, we must pay attention to developing the capital, Vientiane, and the municipal areas in all provinces to gain a new face in accordance with city planning that reflects the national style of architecture and identity. Special attention must be paid to protecting the environment and linking it to the improvement and expansion of basic utilities. Studies must be conducted to lay down plans for building key areas and developing rural and mountainous regions as small townships with economic groupings.

Tourism Work

Tourism is an important part of our policy of broadening relations with the outside world. It is also a new potential generating income for the country. Our policy in this area is to promote ecotourism and cultural tourism. We must therefore expeditiously locate more tourist spots by using the country's valuable scenic beauty and environment as well as its national and ethnic culture as tourist attractions. Efforts must be made to improve the tourism infrastructure and services to create conveniences for tourists and give a good impression. Harmony between tourism and the preservation of nature and culture must be ensured. We must develop tourism with specific objectives and centralized and unified management in order to allow this work to be executed in an orderly, consistent manner.

Trade Work

Trade plays an important role in promoting, encouraging, and developing production, transforming the nature-based economy into the market economy, and developing the domestic market and linking it with the regional and world markets. Therefore, we must set forth a policy of encouraging all economic sectors to engage in trading roles and tasks, more extensively developing two-way trade contacts among the farming families, developing forms of trade exchanges suitable for each locality, providing facilities for goods circulation, taking the initiative in managing and reorganizing the market through appropriate intervention measures when needed in order to basically stabilize the market and prices, promoting import of production equipment and means so as to encourage expansion of domestic production, appropriately reducing the import of goods in accordance with the policy of protecting domestic production, expanding markets for our exports, organizing efficient services for cross-border trade and export transactions, and promoting small- scale export by private citizens. All services concerned must closely coordinate in studying and predicting the situation of both domestic and foreign markets and systematically upgrade, incorporate, and, at the same time, strictly enforce trading management mechanisms.

Finance Work

Finance is a fundamental factor of the national economy. It is also an initial tool for the state's macro management. The objective in the years to come in this sector is to gradually stabilize the national finance by increasing domestic earnings; reducing dependence on external sources for income; balancing the national budget to the point that reserves can be initially attained; continuing to upgrade the policy of regulating the national finance — first, by upgrading the state's investment policy on the basis of ensuring efficiency and serving the construction of the national economic structure; closely linking the budget plan with the national socioeconomic development plan; vigorously promoting and expanding production aimed at creating new stable income sources; studying and dividing the levels of finance and budget management to conform to the reality in accordance with the principle of centralism; enhancing and developing the initiative and responsibility of all localities and budget units; and fully exploiting sources of income in line with the pace of economic development; by properly amending the revenue policy; preventing and suppressing any corruption and evasion to fulfill financial obligations; strictly enforcing all laws and regulations on finance work; mobilizing income from external financial sources with definite objectives and thorough research with the notion that efficiency and capability for loan repayment must be taken into account; strictly managing expenses in accordance with regulations and time tables; carefully avoiding any budget overruns and incurring expenses not in the budget plan; ensuring that expenses are made in accordance with the objectives set forth and in a genuinely efficient manner; laying down measures and a system of thrift and regarding it as a national policy to instill a sense of thrift in the people and encourage all citizens to earnestly practice thrift; stepping up the state's finance macro-management; upgrading the finance control organizations; strictly inspecting the implementation of all regulations and decrees on finance and accounting work; regularly and effectively conducting auditing of business production units operated by all economic sectors; raising the degree of capability in conducting research into and making forecasts regarding the finance and economic situation; continuing to upgrade and justify the salary system and fringe benefits for state employees, and doing away with unjustified state financing and extravagant spending.

Banking Work

The finance policy is an important tool for the state in managing the market economy. It is also a monetary policy. In the years to come, we must strive to maintain monetary stability, manage the price index, see to it that the inflation rate does not become critical, maintain the value and buying power of the kip, use the kip as a basic unit for transactions within the country, correctly manage the spending of foreign currencies, and stabilize and normalize the rate of exchange between the kip and foreign currencies. We must also actively promote the role of the Bank of the Lao People's Democratic Republic in strictly and prudently managing finance activities throughout the country as well as the activities of the state and private commercial banks, including partnership banks and foreign bank branches, thereby fulfilling its role of being an up-to-date center of control that ensures effective, swift, and prompt services from all banks. We must study, upgrade, and adopt new legal regulations in order to perfect the banking system; expeditiously improve the efficiency of the state commercial banks; set up more bank branches, such as those of the Agricultural Promotion Bank, in the countryside to provide more, thorough services to farmers and actively promote production; outline a policy on appropriate and justified interest rates to mobilize domestic deposits in large amounts; and adopt advanced forms of banking transactions to ensure effective services to society.

External Economic and Foreign Investment Promotion Work

The broadening of external economic cooperation and foreign investment promotion is a major policy of our party, aimed at acquiring international potentials that can be combined with domestic strength to develop and enrich our country and gradually link our economy to the international economy. On the basis of this policy, we must broaden our economic relations and cooperation with foreign countries through various forms and channels and ensure the interests and benefits of our partners. First, we step up cooperation with the neighboring countries and other countries in Southeast Asia and establish all the necessary conditions to participate in the ASEAN Free Trade Area (AFTA) and become a member of the World Trade Organization. We must learn from the progressive lessons of other countries, especially in terms of production, management, and the use of technology. On the other hand, we must actively carry out campaigns to attract foreign investors to invest in projects we consider as potentials by supplying them with the necessary documents, information, and data. We must improve the policy, the system of regulations and the working methods so that they are simple, strict, and rapid. We must enhance a sense of responsibility and initiative in engaging in external relations, giving foreign investors confidence and satisfaction concerning cooperation and investment in our country.

Science and Technology

Developments in various countries have shown that in order to develop the country into a modern one, an appropriate amount of investment must be put into scientific and technological work. Therefore, organizations and research institutes must urgently and actively study basic problems in order to contribute to the enhancement of the party's leading ability and the state's efficient management in the application of the market economy and the expansion of relations with the outside world. We must make our country's strategy of socioeconomic relations correspond with the changes going on in the world. At the same time, we must strive to learn from the scientific, technical, and technological achievements of the world, using them appropriately so that we can continual upgrade our productivity and the people's living conditions without harming the environment.

In the immediate future, we must extensively publicize news on science, techniques, and the environment and, at the same time, improve and develop what is traditional while adopting modern achievements from abroad. We must actively improve the management of intellectual property copyright, the transfer of technology, and the service business. We must undertake research and data collection on population and other technical data necessary for national development. We must open up international scientific and technological cooperation.

2. The Social and Cultural Spheres

Upholding the principle of doing everything for the happiness and prosperity of the multi-ethnic people, in the coming years, we must increase funds and means for social development concurrently with economic development, thereby bringing more civilization and justice to the society. Our party has attached importance to the development of human resources with the aim of making the people good citizens endowed with a patriotic spirit, having a love of the popular democratic system, and with knowledge, professions, good health, fine moral consciences, and respect for the law. They will therefore be able to focus firmly on the development of education and public health, cultural expansion, and the solving of various social problems.

Education Work

Education is the heart of the development of human resources. The main duties are to upgrade the people's levels of knowledge, providing careers for the children of the multi-ethnic people and building a mass of intellectuals. To achieve this goal, we must increase investment to transfer the education strategy up to the year 2000 into reality through focusing on improving the quality of education at all levels. Efforts must be made to upgrade the levels of education in the moral, intellectual, arts, sports, and vocational training domains. Research must be made to revise the administration of general education and to raise the standard of the national education system so that it gradually follows a modern direction more suitable to the needs and conditions of the socioeconomic development of our country.

The compulsory primary education system must be truly enforced. Education in rural, mountainous and ethnic areas must be expanded. Schools with dormitories in the key ethnic areas must be built with state funding. Illiteracy must be eradicated and cultural promotion must be carried out among the public citizens. Education must be promoted for women and the underprivileged. Economic sectors must be encouraged to contribute to the national educational development. The education of monks must be revised to suit the new conditions. We must improve and increase the management and control of education so that it is of a high quality. Teachers must be given appropriate treatment, including in terms of their academic status.

Public Health Work

Health and hygiene is an important issue in the social policy of our party and state. Therefore, public health work must be brought to the grass-roots, with prime importance being given to disease prevention and the promotion of health care. Modern medicine and traditional medicine should be combined. We must expand quality public health services to the multiethnic people. Medical consultation and treatment that are free or paid for must be provided using correct and clear-cut systems.

In the immediate future, the public health network must be expanded to new townships, rural and mountainous areas, and zones of prioritized development. We must pursue the disease prevention and control projects in different localities and seasons. We must care about the health of mothers and children, clean water, environmental sanitation, and sanitation in housing and food. The scientific and technical skills of hospitals of various levels must be upgraded; in particular, modern techniques and equipment must be introduced in a number of hospitals at central and provincial levels. We must attentively build and upgrade health personnel in their profession and constantly inculcate a spirit of service to the public together with humanitarian and moral qualities. We must speedily enact and enforce laws and regulations necessary for the management of activities in the field of public health in line with the policy of upgrading the quality of service and health care for the public.

The Sports and Physical Exercise Work

This work is essential for the promotion of health and hygiene among the public and contributes to the holding aloft of the national prestige and the promotion of friendship with other countries. Recognizing the importance of this, we must encourage and organize sports and physical exercise activities in various forms among the masses. For example, we should promote physical exercise and sports among youths and students. Special attention must be given to establishing and improving the ability of sports persons in various disciplines, from which we should look for gifted individuals. We must create professional athletes and at the same time seriously establish sports trainers and personnel. We must adequately invest in expanding the material and technical foundation for sports. We must improve the organization, management, and systems governing education and sports sponsorship activities. Appropriate policies for upgrading national sports activities must be promoted.

Social Security and Labor Work

Social security and labor is another obligation that our party and state consider as important. Therefore, we must increase efforts to observe the various regulations and policies by appropriately allocating funds. In addition, we must mobilize various economic sectors, organizations, and people of different social strata to contribute to this task. In the immediate future, we will continue studying and improving the salary and allowances, regulations, and various other policies in a more appropriate manner in order to raise the creativity and sense of responsibility of public servants, as well as to improve the implementation of the social security scheme. A decree on a social security fund for laborers at business production bases in various economic sectors must be issued.

We will improve the policies for war veterans, retirees, and families whose members sacrificed their lives or did good deeds for the revolution. These policies must be implemented more thoroughly through joint efforts between the government and the general public. We will improve the social welfare work. Funds for the underprivileged, orphans, handicapped, and the unfortunate will be established.

We will organize occupational training courses and provide jobs for the youths as ways to solve the problem of unemployment. We will improve and develop the capability of skilled and non-skilled workers in conjunction with the observance of their working regulations and disciplines. Stricter control of labor and labor management laws will be implemented for both domestic and foreign work forces.

Ensurance of Social Justice

Ensurance of social justice is an important objective of the building of the popular democratic system. In the coming years, we must pay close attention to guaranteeing the citizens' rights of equality before the law. This means that every citizen regardless of his or her social status or profession must be under the law. To ensure the aforementioned rights of equality, every citizen must clearly understand and distinguish the relationship between there rights, obligations, and interests. Being a state of the people and for the people, our state will take serious, resolute measures against those who avoid their obligations and will protect and oversee the legitimate interests of all the social sectors, the interests of the working people being of primary concern. We will practice population income adjustment and carry out a fair redistribution of income. This is aimed at establishing a society free from a serious gap between the rich and the poor and bringing about more harmony, tranquility, and justice. On the other hand, the people also have obligations to join hands with the state authorities in monitoring, controlling, and curbing cases of violation of the law and violation of the rights of the public citizens in every aspect.

Ethnic Affairs

Ethnic affairs are a life and death matter as far as national unity and strength is concerned. Therefore, we must first increase our efforts to nurture the spirit of unity, affection and harmony, solidarity, and mutual assistance among all the ethnic groups in the country. We must join forces to effectively and promptly address and curb all manifestations leading to conflict and vengeance among ethnic groups. We must make all the ethnic groups aware that an attitude of superiority or any belittling of others are wrong; we must discourage any sense of inferiority and attitudes of apathy or non-assertion. Upholding a policy of equality among all the ethnic groups, our party and state have an integrated development policy for the rural and mountainous regions, aimed at gradually closing the gaps between the ethnic groups. In this regard, we will create conditions for the ethnic children to attend schools, and so form their own cadres and intellectuals. In addition, we will promote and expand the identity of all the ethnic groups in terms of their tradition, culture, and folklore.

Religious Affairs

Religions, particularly Buddhism, play an important role in the spiritual life of our people. Buddhism is an institution preserving the customs and traditions that constitute the identity and invaluable cultural heritage of our nation. Moreover, it also plays a significant role in teaching Buddhist followers to be united and contribute to national liberation — as they did in the past — and to the current task of national defense and construction.

Our party and state have continuously implemented the policy of respecting the citizens' rights to equality in belief or non-belief. We enhance the constructive role of religions and their followers for the benefits of the common cause of the nation. We will allow no act under the pretext of religion that is detrimental to the unity and harmony of the nation, hinders the citizens' fulfillment of their obligations, and endangers the public security of the popular democratic system.

Information Work

Information and mass media work is an important means of publicizing and defending the principles and policies of our party and state in both the domestic and external domains. Therefore, the party committees must increase their guidance to the mass media and publishing sector. In the immediate future, we need to seriously train the field's rank-and-file and upgrade their political adeptness and technical skills. At the same time, we must put more input into providing the necessary material and technical foundation to meet the demands for news and information and upgrade the education of and entertainment for the people. We must improve the proficiency, promptness, and precision, of the information work and the richness of its contents.

Culture

Our party regards culture as a social foundation that helps support and develop the nation. It also serves as an important driving force for and goal of social development. In the years to come, we must put more concerted efforts into preserving and developing the cultural heritage of the nation and of all the ethnic groups while simultaneously accepting the fine and progressive aspects of the culture of the world. We must keep our own culture with its national, popular, and progressive character. Therefore, we must intensify efforts to nurture pride, care, and love for the national identity in our culture among our people, particularly among the youth and children. They must seek ways of blocking all the negative elements that run counter to the morality and fine culture of our nation.

To steadily deepen an appreciation of our culture in the hearts and minds of our citizens, we need to energetically study the foundation of our national culture and introduce it into curricula at various educational levels. We must organize and promote cultural activities in schools and establish and expand the number of cultural villages and cultural families. We must improve, establish, and make the best use of the material and technical foundation. At the same time, we must promote art and cultural activities in such a way that they become a movement of the masses. We must encourage the creative production of cultural products of high quality in diverse forms so that they are appreciated by the public and at the same time serve the task of national defense and construction. We must pay exceptional attention to implementing various promotion policies on behalf of those who produce distinguished works in the fields of art, the performing arts, culture, and literature. We must urgently study and promulgate the law on culture.

3. National Defense and Maintenance of Public Security

National defense and the maintenance of public security are always important tasks that must be consistently reviewed and improved for the purposes of defending national independence, sovereignty, and territorial integrity and maintaining public security and order for the cause of national construction and development. Therefore, we must continue the implementation of the comprehensive policy of national defense and the maintenance of peace and order by the entire masses, making the people, cadres, agencies, organizations, business sectors, villages, and the grass- roots nationwide conscious of them and responsible for them. To create a strong foundation for the task of national defense, the entire population must pay attention to the construction and improvement of the people's armed forces in all aspects by focusing on their quality and turning them into a conventional and modern revolutionary army. At the same time, we must actively upgrade local militia and guerrilla forces and pay attention to the improvement of the people's defensive strategy at the grass-roots together with the all-round rural development work. The tasks of national defense and the maintenance of peace and order and socioeconomic development must be carried out simultaneously. Special efforts must be exerted to upgrade the peacekeeping force at the central and local levels in terms of quality, strength, modern technical and material foundations, higher education in their specialized fields, and disciplines. Efforts must also be made to mobilize the masses to contribute to the task of maintaining peace and order in localities; to intercept and eliminate the causes of unrest and social threats; to intensify the party's leading role over the armed forces and the tasks of national defense and the maintenance of peace and order; to make efforts to upgrade the specialized skills and knowledge of cadres and combatants as well as their political consciousness; to ensure that the armed forces and peacekeeping forces will always remain loyal to the country and people with the revolutionary spirit and high self-vigilance that cannot be shaken by any circumstances; to improve and implement the welfare policy with cadres and combatants; and to give special attention to individuals who are assigned to remote areas and their families.

4. Foreign Relations

Foreign relations is an important task of our party and government. The objectives of the foreign relations undertakings in the coming years are aimed at creating external circumstances conducive to the continuation of the task of restructuring; expansion of the good image of the LPDR and enhancement of its role in international areas; drawing friendship, support, assistance, and cooperation from various friendly countries; and, at the same time, suitably contributing to the cause of peace, national independence, cooperation for development, and social progress of various nations.

In pursuance of the said objectives, we will continue to adhere to the foreign policy of peace, independence, friendship, and cooperation with various countries on the basis of the principles of respect for the independence and sovereignty and noninterference in the internal affairs of each other, equality, mutual interests, and peaceful coexistence. We will seek to increase friendship, special solidarity, and cooperation with the Socialist Republic of Vietnam; promote and expand solidarity, friendship, all-round cooperation, and mutual assistance with the People's Republic of China and other socialist countries; attentively continue to prepare essential conditions for ASEAN membership enrollment and participation in the activities of ASEAN member countries while widening relations and cooperation with all countries, financial institutions, and nongovernmental organizations; duly contribute to the tasks of peace, friendship, and cooperation for development of the United Nations, other organizations, the nonalignment movement, and other Francophone countries; and widen relations with ruling parties, political parties, and organizations on the basis of respect for independence and noninterference in the internal affairs of each other to contribute to the strengthening of friendship and cooperation between states.

5. The State Administration

The strengthening and consolidating of our state to turn it into the state of the people, by the people, and for the people remains one of the important task in the coming years. The fundamental undertakings in this regard are the strengthening and expansion of the roles and duties of state power institutions in the administration of the state and socioeconomic affairs through laws, and organizing the successful implementation of the plans and policies of the party in order to stabilize the popular democratic system.

Following the aforementioned direction, the National Assembly, the organization representing the people's rights and power, is obliged to take a lead in initiating the further expansion its roles and duties as prescribed by the Constitution. Most importantly, it should enhance its efficiency in deliberating and settling major undertakings of the state such as the drafting and passage of laws, socioeconomic development plans, the annual budget bill, and other legislation. At the same time, the role of members of the National Assembly must be expanded in following up and inspecting the enforcement of laws and implementation of various resolutions adopted by the National Assembly. The National Assembly must closely coordinate with the administrative, judicial, and mass organizations to detect and correct shortcomings in a timely manner, thus securing the compatibility of the laws, plans, and policies of the party and state, defending the legitimate interests of the people, and widening the relations and cooperation with national assemblies of fraternal and friendly countries and international and regional federations of parliaments.

As the executive branch of the country, the government has the duty to translate the party's lines, plans, and policies into long- term, intermediate, and short-term strategic plans for national development, detailed policies, rules, and regulations to establish unified patterns of administration in the country and the maintenance of relations with foreign countries.

To fulfill the said obligations, it is necessary to improve the organizational structure of the government agencies to achieve the modernization and higher efficiency of the administrative work; to arrange the close coordination between the central and local agencies both vertically and horizontally; and to enhance efficiency in deliberating on and resolving problems and conferring responsibilities on heads of agencies and localities so as to organize the fruitful implementation of plans, policies, and work projects. A law governing local administration undertakings will be drafted and promulgated together with directives on the timely enforcement of laws that have already been promulgated.

Under the state power system of our country, the judicial system plays an important role in enforcing the laws and maintaining justice in society. Therefore, our party must enhance its leading role over judicial institutions to increase their efficiency, coordination and cooperation, but without interfering in the others' work. They must be unified and faithfully carry out their duties on the basis of the established guidelines, policies, and laws. In the coming years, we will concentrate our efforts on building and training judicial cadres with qualified education and high etiquette and the determination to defend justice so as to upgrade the quality of the people's courts and people's prosecution organizations at all levels. At the same time, we will increase contacts and relations between officials and judicial organizations, improve and build material and technical foundations, and procure the necessary equipment for judicial organizations at various levels.

6. Mass and Other Undertakings.

Learning from its past experiences, our party maintains that the tasks of mobilizing, training, educating, organizing, and leading the masses are of strategic significance. The undertakings are aimed at propagating the guidelines and policies of the party and state's laws, enhancing the right to mastery and defending the legitimate interests of the people, which will further strengthen the relations between the party and state authority and the people. We must mobilize and rally the masses to organize the implementation of the party's lines, plans, and policies and the enforcement of the state's laws and regulations. Therefore, mass organizations should take the initiative in carrying out this role and duty.

The Lao Front for National Construction, as a political foundation of the [words indistinct], has been entrusted with rallying and uniting the people of all ethnic groups, ages, social strata, and faiths on the basis of the alliance of workers, farmers, students, intellectuals, and patriots under the leadership of the party, which will bring national unity and mobilize the strength of the entire population to serve the task of national defense and construction. The Lao Revolutionary Youths Union has the duty to rally and mobilize the people of the younger generations and educate and train youths so that they will become loyal citizens of the country and be those who effectively carry on the causes of the party. The Federation of Women Unions has the duty to educate, train, and develop women so as to enhance the role of women in society and take the initiative in securing equal rights for women. The federation must also attentively widen its role in the defense of the interests of mothers and children. The Federation of Lao Trade Unions has the duty to educate and train workers so that they become good citizens with class consciousness and good discipline and take the initiative in defending the rights and legitimate rights of the laboring people.

To enable the said mass organizations to fulfill their roles and duties, we must continue to improve their organizational structure and operation patterns both at the central and local levels in conformity with the socioeconomic conditions including the spiritual and physical livelihood of the people in the new era. Activists who have registered outstanding achievements and been trusted by the people must be appointed with positions in mass organizations. The operational patterns of organizations, in particular at the grass-roots and in dense populated areas, must be readjusted. Mass organizations must expeditiously readjust their organizational structure and work patterns, which must be compatible with the occupations and activities of the masses. In this way, there will be many types of mass organizations that can truly serve the interests of the country and people. These organizations are to be established in accordance with the state's laws and regulations and the principle of financial self-sufficiency under the leadership and supervision of the mass organizations and other agencies concerned.

To ensure the smooth operation of mass organizations, party committees and state power institutions are required to bolster their leading role to create convenient conditions for their operation. On the part of the mass organizations, they are required to faithfully perform their aforementioned duties and to strive to build their own coffers through the collection of contributions from their members, masses, or other methods of earning income that is permissible by the laws and regulations.

In implementing the policy of promoting the mass unity, our party has adopted a clear attitude toward the Lao nationals living in foreign countries. We admire our Lao brothers and sisters for their patriotic spirit, the sense of belonging they have in their hometowns, their understanding of the popular democratic system, and their generous contributions to national development and construction. We will continue implementing the policy of allowing them to come back to visit their relatives and witness the realities in the country and creating favorable legal conditions for those who have the money and want to earn their living together with their compatriots in the country. In dealing with aliens who are now living in our country, our party and government will create conditions enabling them to earn their normal living in accordance with the laws and regulations of the Lao People's Democratic Republic and guarantee their legitimate rights and interests. It is to be hoped that they will contribute to the development and construction of Laos as well as the strengthening of the friendship relations between the Lao People's Democratic Republic and their respective countries.

Part Three: To enhance the Party's leadership in implementing the task of restructuring.

Dear comrades, the construction of the Lao People's Democratic Republic clearly stipulates that the LPRP is the leading core in the popular democratic system. This is a historic task and honorable responsibility of our party. The task of constructing and consolidating the party in political, ideological, and organizational areas is an important duty for the time being and in the long run. The strengthening and consolidating of the party are aimed at securing our party's competence; giving it new, combative strength; and enabling it to act as the genuine leading core in our political system, representing the interests of the workers, laboring people, and [words indistinct]. To lead the entire mass to achieve new brilliant achievements, based on the lessons drawn from past experiences, party committees at all levels must firmly adhere to the six fundamental principles of the task of restructuring and use them as the compass and yardstick for identifying the quality of the performance of party organizations at different levels. In the coming years, we will concentrate on the following tasks:

The party's leadership is the basic factor for the country in its progress to prosperity. The party exercises its leading duty through political ideology, propaganda, education, training, mass mobilization, good examples set by party members, and inspection and control work. Our party has been paying keen attention to the formulation and amendment of the party's lines and policies to ensure their correctness and perfection through the promotion of its own creativeness, the clear perception of the reality in the country and the special characteristics of international developments in each period, intimate association with the masses, and awareness of the aspiration and thinking of the masses. Our party will continue to learn from its own experiences and the successes of other countries. Party committees at all levels are required to thoroughly study this correct line and make use of their collective wisdom to translate the party's lines and policies into resolutions, plans, and work projects for their respective organizations in conformity with the special conditions prevailing in each locality. At the same time, responsibilities must be clearly given to each member of party committees to supervise the execution of specific undertakings. Such a practice is in line with the principles of democratic centralism and the joint role of collective leadership and individual responsibility. To ensure the unified implementation of the party's lines in the entire party and masses, party committees in all levels must attach significance to the propagation of the party's lines and policy among party members and masses, organize study and training courses to guide their line of thinking and create confidence in the party, and mobilize and organize them to implement the party's lines and policies for the benefit of the people.

In implementing the party's lines and policies, party committees and party members are required to set the leading example by demonstrating a high sense of responsibility. Only by so doing will our party become a unified organization and be enabled to defend and increase its role and influence over the masses. Only by so doing, will our party be able to continuously enhance its leading role in the entire society.

To strengthen its leading capacity, our party will have to readjust the leading patterns it applies for the state and mass organizations, improve the relations between party committees and the state power institutions, and establish intimate relations with mass organizations at their respective levels. In the coming years, we will continue to emphasize the occupation of dual positions in party committees and administrative organizations to consolidate the party's all-round leading capacity as well as to further expand the management and supervisory roles of the government and promote the people's right to mastery. Meanwhile, the party will have to fully control the performance and behavior of cadres and appoint politically qualified and competent individuals to important positions in the state organizations to facilitate the implementation of the party's lines and policies and secure the efficiency of the party's leading and guiding role. Party cadres and members working for the government must take the initiative in implementing the party's resolutions and set good examples in enforcing the laws, rules, and regulations of the state. Party committees at all levels must be aware of the significance of the inspection of the implementation of the party's lines and policies by the state and mass organizations at different levels because it is an important aspect of the leading and guiding work. For this reason, they are required to conduct the inspection on a regular basis so as to promote the creativity and sense of responsibility of those organizations, hold mutual consultations, and help settle difficulties to ensure the normal and successful operation of the organizations.

2. To Enhance the Quality of Ideological and Theoretical Work.

In carrying out the task of restructuring, which is aimed at achieving national development, construction, and prosperity, we are bound to encounter a number of challenges and trials. Therefore, the ideological work is, at the present time, significant for the creation of a unified perception of the party's guidelines and policies, confidence in the bright future of the nation, and a unified national consciousness as well as for the promotion of a traditional sense of patriotism and the enhancement of solidarity within the party and the country. This will inspire determination to overcome any difficulties with a spirit of independence, self- mastery, self-reliance, and self-strength. In order to achieve the said objectives, we must expeditiously review and be imbued with the party's restructuring policy, and we must organize study and training courses for the entire party and population. At the same time, we must actively compile the history of our nation and the Lao revolution so as to create pride in the brilliant traditions of our country and party. On the other hand, we must follow the changes in both the international and regional situations so that we will be able to analyze the real causes of any problems and work out appropriate solutions in a timely manner. For the time being, we must concentrate our efforts on improving and enhancing the quality of the organizations in charge of ideological and theoretical work, including the political and administration schools and educational institutions at different levels, and provide the necessary equipment for them. We must organize the propagation of, research into, and study courses in all forms on the party's lines and policies as deemed appropriate for specific, targeted groups; we must include sociopolitical subjects for compulsory study in the school curriculum; pay special attention to educating and training cadres in charge of ideology, information, propaganda work, especially school teachers and college lecturers; intensify the research on theories established from the past experiences of our party and learn lessons from the successes of our fraternal parties and countries so that we will be able to assist the leadership in solving our party's strategic problems. Therefore, the party's research organizations must expeditiously lay down detailed plans to organize the implementation of all work projects, thus further enriching our theoretical knowledge.

3. To Improve Party Organizations.

We must readjust the operations and work patterns of party committees at all levels. To ensure the successful implementation of the party's political policy, we will, in the coming years, concentrate our efforts on the improvement of the organizational apparatus of the party from the upper to the lower echelons to increase its strength and efficiency. First, we must actively improve party cells so that they are firm and strong and possess the all-round leading and guiding capacity, because party cells are the party's grass-roots organizations and are in close contact with other bodies at the grass-roots, where the people, cadres, and combatants will translate the party's lines and policies into realities. It is therefore necessary for us to closely supervise the directions and leading and guiding patterns of party cells to ensure their compatibility with the circumstances in each locality and any advancement.

By so doing, party cells will be able to distinguish hard-working individuals and recruit them for enrollment as party members. For the time being, we must expeditiously train party cell secretaries to play an active leading role in the new circumstances, train and educate party members at the grass-roots, and set good examples for the masses.

To improve party organizations, we must pay attention to the improvement of the organizational structure and work patterns of local party bodies including those at the provincial and district levels and party organizations attached to government agencies. The most important point is that we must make efforts to upgrade the competence of party organizations in translating the party's lines into plans and work projects in their respective localities and agencies. From this point, party committees must take the initiative in organizing the implementation of such plans and work projects. To create sufficient strength and improve the leadership of party committees, the number of each party committee may be increased or decreased as deemed appropriate. At the same time, we must make efforts to improve the planning staff of party committees at all levels so that they can serve as active and faithful workers of party organizations.

To enhance the leading role of party organizations at all levels, it is necessary to adjust the operations, leading roles, and work patterns. It is vital to adhere to the principle of democratic centralism, which is characterized by collective debate and consent, in deliberating issues relating to major plans and policies and subsequent sharing of responsibilities among members of party committees. Such a practice will further strengthen solidarity within the party and prevent any attempt to sow discord in party organizations and irresponsible attitudes among cadres. Party committees at the higher levels must keep in close contact with the grass-roots in exercising their leading and guiding authority so that they will be able to detect ideal examples for further propagation and learn about shortcomings and difficulties of the grass-roots and find appropriate solutions.

Under normal circumstances, party committees at all levels are required to heighten their education and knowledge and leadership qualifications. They are required to conduct self- and mutual- criticism. This is the law of survival and expansion of our party. To further strengthen our party, we must intensify the internal defense work and be determined to eliminate and correct shortcomings, mistakes, and all forms of lethargy among party members, and remove from the party those members who lack political qualifications, violate the state's laws, and are distrusted by the masses. At the same time, quality is the major objective of the improvement and expansion of party organizations. In recruiting new party members from now on, we must pay attention to the contingents of workers, laboring people, youths, intellectuals, women, and ethnic groups who have registered outstanding achievements in the performance of their duties.

4. To Carry Out Cadres Work.

Our party has always reaffirmed that cadres play a decisive role in the success or failure of its policy. Therefore, our party always attaches significance to the training and upgrading of cadres. In the coming years, we will have to exert all efforts to upgrade the quality and competence of cadres to meet the political requirements in the new era and ensure that there will be enough cadres to carry out basic undertakings. For this reason, we must expedite the formation of both immediate and long-term plans for upgrading and training cadres. The perception of our party is that the production and training of cadres must be carried out simultaneously. Cadres must possess class conscience, revolutionary virtues, have a desire for new knowledge in professional and general fields, and be able to work in harmony and continuity with colleagues regardless of age and seniority. We must continue building cadres of all categories, namely, leading cadres, managers, state officials, socioeconomic cadres, foreign relations specialists, and technicians by attaching appropriate significance to cadres who work at local and grass-roots levels, ethnic cadres, and female cadres. For the immediate future, we will handle the placement of cadres according to the set criteria; provide working staff for newly established organizations as deemed necessary; conduct the examination of the efficiency of cadres for promotion and change of duties; implement a welfare program for cadres; improve, unify, and modernize the personnel management system; and make full use of cadres' abilities. Another important thing is that we must have a method for the objective assessment of cadre performance, making decisions through collective consultations, and observation of their behavior and actual performance. We need to enforce a comprehensive policy regarding the overall welfare of cadres and promote those with particular ability, creativity, and outstanding achievements. Additionally, care must be giving to individuals assigned to remote and difficult posts. At the same time, we must have speedy measures for addressing and curbing the lethargic attitude among cadres. Cadre management work is the direct responsibility of party committees at every level and every leading cadre. Hence, special attention must be paid to systematic guiding and monitoring for the purpose of upgrading and training individuals at work or in educational institutions. Meanwhile, we must pay attention to the upgrading of the organizational institutions and their personnel so that they become good supporting staff for party committees at various levels.

5. Control work.

Control work is one of the important components for the work of the party's leadership. Our party's stand in this regard is to carry out control work in the most effective manner, aiming at ensuring unity within the party, especially among leading cadres at different levels. This situation will ensure that the party and administrative committees carry out their activities with increasing quality in line with the party's lines and policies and the state's laws, thus enabling party members and cadres to faithfully carry out their duties and prevent the negative impact of bureaucratic and corruption practices in all forms. Based on this stance, we will have to conduct comprehensive control work on a regular basis in all party, state, and mass organizations at all levels, in business production units, and among all cadres, especially those leading and managing organizations at different levels, in the performance of their duties, thus making control work become a vital measure and effective tool for the purpose of training and motivating the participation and responsibility of cadres of all levels. On the other hand, it can be used as a way of warning them of their shortcomings. For this reason, no party and state organizations, agencies, or any individuals are to be excluded from inspection. Party committees at all levels and party members and cadres, regardless of their positions, must participate in control work, set good examples at work, lead a uncorrupt life, help each other in a timely manner, and refuse to let any shortcomings and problems drag on, for these can have a negative impact on party organizations and the cadres themselves.

Party committees and administrative agencies at all levels are required to promote the democratic system and self- and mutual- criticism in an amicable manner. Control work must be carried out on a regular basis in a thorough, polite, objective, decisive, and correct manner. Superficial work, discrimination, and nepotism must be avoided. Therefore, control boards must increase their political knowledge and acquire knowledge in inspection technique and rules and laws for their personnel to ensure that they will be able to conduct their respective duties effectively, thus contributing to the construction of our party and state.

Beloved comrades, this political report represents the overall review of the task of reconstruction and the implementation of the resolution of the fifth congress of our party. It clearly assesses the achievements and shortcomings and gives a summary of the lessons learned from the implementation of the task of restructuring. At the same time, it has systematically set the targets and expectations, plans, policies, and directions for various areas for the coming years. I believe that you, comrade delegates, will hold aloft your sense of responsibility and inquiry and make available your comments and opinions. Thank you.

Laos: Changes in Government, Policy Reviewed

BK2603052696 Bangkok THE NATION in English 26 Mar 96 p A4

[Article by Kunlachada Chaiphiphat: "A Changing of the Guard in Laos"]

[FBIS Transcribed Text] By all indications, survival up to the next century is the name of the game as far as the few remaining socialist regimes in the world are concerned, including Laos.

Not surprisingly, at the recently concluded Sixth Congress of Laos' ruling communist party, members were reminded of the need to maintain their cultural identity and to be vigilant in the face of capitalism's seemingly unstoppable advance in the region.

In a nutshell, as based on the membership of the party's new nine-man politburo, which comprises three communist ideologues and six generals from the military, there are indications that the party will be able to fulfill its stated objectives.

The new politburo lineup does not only include members of the previous ruling clique having impressive revolutionary credentials, but also indicates that the military has increased its clout.

Gen Khamtai Siphandon has retained the top job as party chairman and is also expected to take over the presidency from Nouhak Phoumsavan who has retired.

The military generals elevated to the politburo include National Assembly chairman Lt Gen Saman Vi-gnaket, Defence Minister Lt Gen Choummali Sai-gnason, Lt Gen Oudom Khatthi-gna, Minister of Information and Culture Lt Gen Osakan Thammatheva, Minister of Agriculture and Forestry Gen Sisavat Keobounphan and Interior Minister Maj Gen A-sang Laoli.

Despite the changes, however, most diplomatic sources believe that Laos' economic reform policies will be continued.

They argue that having military men holding senior positions in government is a common feature in this part of the region as in Thailand, Burma and Indonesia.

"There are arguments for and against the military taking control of the country. Although we still have to wait and see, I do not expect any drastic changes in the government's policies," said a foreign businessmen in Vientiane.

One thing that emerged clearly from the party congress, as reflected in a five-point resolution, is that government policies, while still to be formulated under the party's guidance, will be implemented with more caution given the level of development in Laos as well as global changes. The need to further develop relations with neighbouring countries and broaden international cooperation was also emphasized.

The new lineup also confirms the closer relations that Laos has with Vietnam in terms of preserving Marxist-Leninist ideology and a socialist identity to counter what is perceived as negative foreign influence.

Khamtai, Saman and Sisavat are members of the Indochina Communist Party. Osakan has in the past year forged closer cooperation with Vietnam's Communist Party's cadres in restoring Marxist-Leninist principles and strengthening ideological training and propaganda. Oudom, who was recently elected chief of the Lao National Front, and Choummali have been instrumental in the party's work on grassroots support and security-related socio-economic development.

However, Thai Ambassador to Laos, Somphan Kokilanon, believes that such a trend is unlikely to disrupt the progressive relations Laos has with non-communist neighbouring countries like Thailand and other ASEAN countries.

"As a small country flanked by powerful economic neighbours, Laos has good reasons to fear increasing foreign influence, especially since a borderless world is anticipated in the next century," he said.

The party, he added, needs to strengthen its internal security and cultural heritage to withstand the impact of these changes.

Compared to the Fifth Congress, the Sixth Congress gives a clearer vision for the country's development, which had been stymied somewhat after the death of former president Kaysone Phomvihan in 1993.

The main debate during the congress, however, focused on correcting the approach to economic renovation, the fight against corruption, the lack of technocrats who can supervise reforms undertaken, the party's dwindling popularity despite an increase in membership to 78,000, and the need to bring the fruits of development to the rural areas.

In the party's restructuring, Nouhak's retirement was expected. But the removal of Deputy Prime Minister Khamphoui Keoboualapha and Minister of Communication, Transport, Post and Construction Phao Bounnaphon from the party's Central Committee, who were both elected to the Politburo and the Central Committee respectively during the previous congress, was unexpected.

A foreign observer said their removal signalled the defeat of the reformist bloc and that this could have implications on foreign investment and send jitters among the international community which has been pushing for more reforms in Laos.

Since the start of the economic renovation policy in 1986, Laos has been guided by the international community on the path of economic reform. The adoption of the first constitution in 1991 and subsequent administrative and legal reform enabled Laos to receive fresh loans worth US $40 million (Bt[baht]1 billion) for structural adjustment from the World Bank. The International Monetary Fund also wants further reforms in immigration and land management to improve conditions for foreign investment.

But an Asian source believes that the party will not turn its back on reforms. For one thing, Laos' desire to join ASEAN and other international organizations would force Vientiane to undertake more reforms. This also goes in hand with Laos' objective of getting out of the underdeveloped country list by 2020.

The same source said the party was also campaigning to restore its clean image amid rumours of widespread corruption in the government as well as among party cadres.

Khamphoui, who headed the powerful Committee for Planning and Cooperation, and Phao, who assumed responsibility for the country's infrastructure development, are popular in the international community and have close connections with foreign investors.

In the political report of the party's central committee to the congress, Khamtai attacked moves to privatize state enterprise. He said this has sometimes resulted in the loss of state properties and revealed their inefficiency to manage a market economy. Only 10 per cent of state enterprises are under government control.

Khamtai blamed both party members and the government for insufficient initiatives and a lack of effort in carrying out party guidelines and policies.

The election of the new 49-member Central Committee indicates that a new generation is taking over, with over 63 per cent of members in the 40 to 59 age bracket.

Cadres over 60 accounted for 20 per cent, while the average age of members is 54. Nonetheless, over 75 per cent of the new members were admitted into the party before 1975.

Foreign Minister Somsavat Lengsavat, Finance Minister Saisomphon Phomvihan, Minister for Social Welfare and Labour Thoungloun Sisoulit and Education Minister Phimmason Leuangkhamma are among those who are being groomed as the next generation of leaders.

In the final analysis, this is a confirmation that the old guard will soon make way for those whom they have trained to be their successors. It is understandable that the powers-that-be want the passage of power to be smooth.

They want their handpicked successor to be in place," said a political analyst.

Laos: Report Reviews New Line-Up of Politburo After Congress

BK2603080396 Bangkok BANGKOK POST (INSIDE INDOCHINA Supplement) in English 26 Mar 96 p 1

[Report by Saritdet Marukhattat and Phanrawi Tansuphaphon in Vientiane]

[FBIS Transcribed Text] The outcome of the three-day Sixth Congress of the Lao People's Revolutionary Party has inspired little optimism among business circles.

One analyst said of the conclusions: "By the time the party convenes its seventh congress it may be too late."

The congress ended last Wednesday with a conservative line-up in the nine-member Politburo which will set the direction of the ruling party for the next five years.

Laotian leaders will concentrate on building strength within the party and consolidating power to prepare for rapid changes in economic conditions in the country, an analyst said.

"They realise that political development will not catch up with economic prosperity if they wait until the next congress," he said.

It was the same thing Communist Party leaders in China and Vietnam are concerned about and a factor in their regular visits and exchanges of views, he said.

Vietnamese party Secretary General Do Muoi and Wen Jiabao, an alternate politburo of the Chinese party, were among the witnesses at the meeting in Vientiane.

The direction of the country will be driven by the new set of nine Politburo members, six of whom are generals, including party President Gen Khamtai Siphandon, National Speaker Lt Gen Saman Vi- gnaket, Defence Minister Lt-Gen Choummali Sai-gnason, Information and Culture Minister Lt-Gen Osakan Thammatheva, Agriculture and Forestry Minister Gen Sivavat Keobounphan and Interior Minister Maj- Gen A-sang Laoli.

The others are Oudom Khatthi-gna, Thongsing Thammavong and Vientiane Municipality Governor Boungnang Volachit.

The new line-up conflicted with expectations of the coming of young bloods to play a greater role in the party at the time when ideological clashes have ended and economic prosperity and regional cooperation are the main issues.

The party dropped Deputy Prime Minister Khamphoui Keoboualapha, who directed economic policy, and his committee for Planning and Cooperation oversees foreign investment, not only from a Politburo position, but also out of the party circle with no place for him even in the Central Committee.

The same fate befell Minister of Communications, Transport, Post and Construction Phao Bounnaphon, who is out of the Central Committee.

Both were seen to be supporting the young technocrats with a strong educational background to play a greater role in the country.

The fall of Mr Khamphoui caught diplomats, investors and Laotian officials by surprise as they waited to see who will be next in a driving seat of the Laos' economic engine.

Mr. Khamphoui will resign from the government when Laos reshuffles the government in April when the National Assembly will open for a new session to approve the list.

Diplomat said: "We have to wait and see who will be responsible for economic policy in the next government." The choices included Finance Minister Saisomphon Phomvihan, he said. With the retirement of State President Nouhak Phoumsavan, Prime Minister Khamtai will move up to be the successor and will have to scour the Politburo to find a prime minister. A name being mentioned is Defence Minister Choummali.

A Laotian source said: "A change of pace in economic reform will be inevitable with Politburo members with conservative minds leading the country."

An analyst said: "The trend is the party will drop to a slower gear on economic reform in Laos. They cannot stop reform but they can slow it down."

Another cause for concern for the party is the widening income gap between Vientiane and other provinces and increasing costs of living which certainly affects Laotian who are not entrepreneurs.

Proper economic management is seen as the only way to resolve this problem because nobody can command the market.

Official sources have also expressed concern that economic slowdown which will affect Laos after joining the Association of Southeast Asian Nations next year.

"The country would possibly not be able to catch up with ASEAN countries," he said. One source said now should have been the time for the young blood to participate in development when the world is changing very fast. The cabinet reshuffle is crucial to regaining the confidence of investors looking to Laos and local businesses which questioned the performance of generals in the reform drive. Launched in 1988, the drive was aimed at moving from a command economy to the free market and to maintain economic growth at 8-8.5 percent until 2000.

Foreign investment accounted for $5.6 billion in registered funds, comfortably surpassing the target $3-billion target by the year 2000, Deputy President of the Committee for Planning and Cooperation Leuan Sombouhkhan told the English-language weekly VIENTIANE MAI.

Thailand

Thailand: Joint Venture With Laos for Satellite Contract

BK2703100396 Bangkok BANGKOK POST in English 27 Mar 96 p 21

[Report by Nonthanada Intharakomanyasut in Hong Kong]

[FBIS Transcribed Excerpt] L-STAR satellite operator Asia Broadcasting and Communication Network Plc has chosen U.S. firm Space Systems/Loral as the contractor for two satellites.

Asia Broadcasting, a subsidiary of the M Group, signed contracts totalling U.S.$480 million yesterday with Space Systems/Loral, Arianespace and Telesat Canada for the construction, launch and programme management of the satellite system.

The project, a venture in cooperation with the Laotian Government, is ultimately envisioned as being capable of providing up to 200 television channels throughout 15 Asian countries.

Space Systems/Loral will build two L-STAR satellites while Arianespace will launch them. The orbital position, at 116 degrees East, was granted to Laos under International Telecommunication Union agreements. The first satellite is scheduled to be launched in December 1997 and to begin operations in early 1998. L-STAR 2, meanwhile, should launch in late 1998. Both satellites are equipped with 32 KU-band transponders and have a wide footprint covering the entire Asian region.

Controversy has surfaced over the fact that negotiations on the orbital positions have yet to be concluded with authorities from Japan, Korea and Russia. There are fears that signals will interfere with one another if satellites are too close together.

However, M Group chairman Sonthi Limthongkun, who is also chairman and chief executive officer of Asia Broadcasting, expressed confidence that the company would receive the rights to the position.

At yesterday's meeting, International Engineering Plc, a 25% owner in Asia Broadcasting, also signed a Memorandum of Understanding to become Space Systems/Loral's Thai agent for the L- STAR programme. Mr Sonthi said he expected Loral Space and Communication Co, the parent company of Space Systems/Loral, to take a 10% share in Asia Broadcasting.

Telesat Canada, meanwhile, will become project manager for the entire programme.

Overall investment for construction and launch of the two satellites, including construction of a ground control station in Vientiane, Laos, and back-up facilities in Perth, Australia, is estimated at U.S.$500 million. [passage omitted]

Thailand: Report Views Telecom Status at WTO

BK2503103696 Bangkok THE NATION in English 25 Mar 96 p B1, B2

[Report by Chirawat Na Thalang, Utsani Mongkhonphon, and Yingyot Manchuwisit]

[FBIS Transcribed Text] With the deadline for the global telecommunications agreement five weeks away Thailand has decided that opening its domestic fixed-line telephone service will be the best offer it can make at the moment, according to a source familiar with the negotiations.

The decision is expected to partly ease the worries of developed countries which have called for clear direction from their developing counterparts on the stage of the World Trade Organization (WTO).

The Thai proposal was made late last month after a meeting of the International Economic Affairs Policy Committee, chaired by Deputy Prime Minister Amnuai Wirawan, in preparation for the WTO meeting.

Significantly, the meeting decided that Thailand's status had to be changed from an observer to a negotiating party in the multilateral talks aimed at creating telecom liberalization agreements worldwide. This decision was made only a month before members of WTO were told to conclude the telecom liberalization talks on April 30.

"We decided to change our status because we realized that, whether we like it or not, we will be pressured to be a part of the agreement. The observer status would not be of benefit to Thailand," the source explained.

This month, 53 negotiating members of the WTO resumed talks in Geneva to create the first ever global agreement to open up basic telecom services — an initiative from the developed world which wanted to enter the lucrative market in less developed countries.

Unlike most multilateral trade negotiations, the telecom talks are not just intended to remove barriers to international competition, but are also aimed at actively promoting economic growth by obliging WTO members to respect common rules.

WTO members will have to agree on a set of principles which would require transparent regulations, guarantee competing companies access to public telecom networks and limit unfair discrimination by dominant carriers.

Thailand and some Asian nations including Indonesia, India and Malaysia, however, were criticized by key WTO negotiating members, especially the US and the European Union, for having yet to make offers or proposing only limited concessions which were not up to the standard the developed countries wanted.

The source said that Thailand realized the need to be a part of the WTO. But Thailand is unlikely to immediately open up country's telecom market to the level required by the developed members of the WTO.

Thailand decided to commit itself to opening the domestic telephone service to foreign firms because it requires a strong commitment and more investment to lay down the telephone network. Domestic long-distance and international call services require less investment but they provide high profit.

The source said that Thailand's offers will be similar to its offers to open up the value-added telecom services during the Uruguay Round of multilateral trade talks.

Thailand has offered a "commitment schedule" to gradually open up the value-added telecom market by adhering to four principles, including cross border service, market access, commercial presence and national personal treatment. But they are unlikely to happen all at once, the source noted.

AT&T, the giant US telecom company, strongly urged the US negotiating officers to take a tough stance to ensure improved access to markets abroad. Sir Leon Brittan, vice president of the European Commission, meanwhile recently urged the members of WTO to improve their offer for fear that the US administration might walk away from a mediocre deal in the same way it did during the WTO finance services agreement last year.

The source said Thailand was initially reluctant to be a part of the negotiating process. Bangkok decided to play it safe by maintaining the country's observer status when the Uruguay Round was completed in 1993.

At that time, only 12 countries, led by the US, Sweden, Switzerland, Japan and South Korea, decided to participate in the global talks to create a basic-telecom liberalization deal.

The original negotiating parties however later succeeded in persuading more countries, particularly the European Union, to be negotiating members of the WTO basic telecom negotiation.

Over the time, Thailand thought it might be able to avoid the global deal which would force it to open its telecom markets. However, the changing circumstances over the last four months have put pressure on Thailand.

More and more Asian nations, including India and Singapore, have changed their observer status to become negotiating parties of the WTO telecom talks.

The source said Japan and New Zealand had meanwhile separately tried to convince Thailand to upgrade its status to become a part of the WTO telecom service talks.

According to the source, Thai permanent representative to WTO Danai Tunlalampha also recommended the Thai government upgrade its status to become a full member by reasoning that it would be better for the country to take part and negotiate in the deal rather than accept an agreement in which it never had the chance to exert its interests.

The source said initially the Transport and Communications Ministry was opposed to the idea of being part of the deal because the Ministry realized that the outdated Telephone and Telegraph Act B.E. [Buddhist Era] 2477 (1934) would be a main obstacle hindering the country from following the WTO liberalization agreement.

But Danai informed the Thai government that Thailand could submit only a commitment schedule to show its sincerity to open up the telecom market in the initial stages. Danai was quoted by the source as citing the

WTO financial service agreement, of which Thailand is a part, even though it was more difficult than the telecom services talks.

The source said, "The fact that WTO members have been urging Thailand to participate in the talks is a good sign. It shows that WTO member countries have a strong interest in Thailand," he said.

The source is also optimistic that the pressure to open up the telecom market will help push Thai officials and the private sector to take concerted action to amend relevant communications laws which have been delayed by conflicts of interests between influential telecom firms.

Executives from private telecom firms, according to previous interviews, have indicated Thailand could compete in the international market and at the same time could maintain competitive edges in protecting the local market, only if the government lent full support and the players realized the national benefits rather than their own interests.

Thai Finance Minister: IMF Delegates 'Impressed' With Policy

BK2703053396 Bangkok THE NATION in English 27 Mar 96 pp B1,B2

[Report by Wichit Chaitrong]

[FBIS Transcribed Text] Despite inflationary pressure and a rising current-account deficit, delegates from the International Monetary Fund [IMF] were impressed with Thailand's economic stability, according to Finance Minister Surakiat Sathianthai.

In Thailand to examine Thai economic policies, the delegates asked Thai economic officials to maintain prudent monetary and fiscal policies in order to keep inflation and the current-account deficit under control, he said.

Somchai Richupan, director general of the Fiscal Policy Office, said the IMF representatives feel Thailand does not need to take drastic measures yet to curb inflation and the current account deficit.

Surakiat said after the annual consultation with IMF delegates at the ministry yesterday that the delegates understood the country's inflation rate had stayed high due to floods last year. Furthermore, they understood that the high current-account deficit was driven by the turmoil in the financial market and high capital goods imports, "exactly as we told them."

The IMF delegates also expressed interest in Thailand's income distribution policy while questioning the recent huge capital influx. The Finance Ministry explained that most of the capital came from Bangkok International Banking Facilities and that some of the funds were going to infrastructure development projects and industrial investment, Surakiat said.

Meanwhile, Margaret Kelly, IMF senior adviser for Southeast Asia, said it was too early to assess the economy simply by looking at the current account deficit figures.

She said that, basically, the Thai economy is promising due to high growth, relatively low inflation and a budget surplus for the past eight years.

Surakiat would not reveal all the details of the meeting with the IMF, which centred around 13 questions designed to determine economic direction.

The IMF asked the ministry to describe the recent review of the tax system initiated by the Finance Ministry and to clarify recent reports of a reduction in corporate and personal income tax rates. They asked how the ministry would offset the reductions and the estimated impact on revenue.

The institution also wanted details of any significant revenue or expenditure initiatives in the 1995/96 fiscal year budget and if tariffs were reduced on Jan 1 in connection with agreements made under ASEAN Free Trade Agreement as well as their expected impact on revenue. The ministry was also asked to describe targets for the government and overall public sector for fiscal 1996/97 and, over the medium term, strategy for the civil service involving zero workforce growth and narrowing the pay gap between civil servants and their private sector counterparts.

The IMF is also concerned about the expected phasing in of capital expenditure over the medium term for central government, public enterprises, government-concession projects and privatization strategy.

The list also contained questions about the old-age pension scheme. There were questions about the fiscal impact of the shift from the existing government pension scheme to the new Central Provident Fund (CPF). The IMF wanted to know when the initial Bt[baht] 63.5 billion contribution to the CPF would take place, was it included in the budget and what the CPF's investment policy would be.

The delegates also requested information on the likely structure of unemployment insurance.

Thailand: 'Personal Significance' of Banhan's China Trip Noted

BK2403153396 Bangkok THE SUNDAY POST in English 24 Mar 96 p 1

[Report by Somchai Misane]

[FBIS Transcribed Text] For Prime Minister Banhan Sinlapa-acha whose parents were Chinese, his trip to China today will be more than an official visit: it will also be a return to the land of his ancestors.

During the March 24-29 trip, Mr Banhan will preside over a ceremony to open a Bangkok Bank branch in Shantou province.

The southern Chinese province holds special significance for him: it was the home of his father, Seng Kim, and his mother, Sai Eng.

The couple came to Thailand 70 years ago and settled in Suphan Buri. Six years after arriving they had a son, Bey Tek Chiang, who was to change his name to Banhan Sinlapa-acha and rise from poverty eventually to become a construction tycoon and the prime minister of his country.

The visit had earlier been scheduled for June but was moved up so Mr Banhan could visit China before his government faces the Opposition no confidence motion next month.

Officials organising the trip played down its personal significance for the prime minister, but those close to Mr Banhan say he is looking forward to visiting China as the prime minister of Thailand.

Apart from other ASEAN countries, Mr Banhan's first official visit as prime minister was supposed to be to China.

But pressing problems forced the premier to visit Burma on the 17-18 of this month to smooth troubled relations with that county.

Thai officials have also been trying to secure a meeting between Mr Banhan and China's "paramount leader" Deng Xiaoping.

Dubbed "Deng Xiaoharn" by the Thai press because of the physical similarity between the two, Mr Banhan admires the Chinese leader and wants to meet him.

Mr Banhan's biography entitled "The route to the premiership of Deng Xiaoharn", first printed on his 60th birthday four years ago, is still being distributed to well-wishers by the premier on his birthday.

There has been no confirmation, however, that the aging Deng Xiaoping, 91, would meet with Mr Banhan.

During the premier's China visit, no agreements between the two countries are scheduled to be signed.

Wirasak Khosurat, deputy secretary-general to the prime minister, said the visit was to celebrate two decades of Thai-Chinese relations which were re-established in 1975.

Mr Wirasak said the premier would most likely focus on the principle of political and economic relations and leave any specific agreements for the private sectors of each country to work out.

But given China's intolerance to outside criticism and Mr Banhan's strong desire that the visit be a success, he is not likely to raise any contentious issues such as human rights or the Chinese military exercises off Taiwan.

Thai Foreign Minister Comments on Prime Minister's PRC Visit

BK2603100196 Bangkok Radio Thailand Network in Thai 0530 GMT 26 Mar 96

[Report by Public Relations Department correspondent Chintana Chaochumphot]

[FBIS Translated Text] Commenting on Prime Minister Banhan Sinlapa-acha's visit to China amid the dispute between China and Taiwan, Foreign Minister Kasemsamoson Kasemsi said the prime minister did better than expected in his talks with the Chinese prime minister:

[Begin Kasemsamoson recording] I think the prime minister did very well. They stated China's readiness to settle the problem through dialogue. We have long supported that policy. There will always be difficulties. As for whether Thailand supports it, I think Thailand supports it. [end recording]

He said it is good that China had clearly expressed its policy of resolving the dispute between China and Taiwan through peaceful means. All sides believe that force will not be used in solving the problem.

The foreign minister declined to comment on Thailand's request to open more air routes between Thailand and China. He said it is better to let the aviation experts give their opinions. He did say this would benefit Thailand if Thailand wants to become a regional aviation center.

Regarding the issue of his resignation as foreign minister if there is a cabinet reshuffle, he said he believes there will be no change in foreign policy because the prime minister has a good understanding of foreign affairs.

Thai Editorial Reviews 'Big Brother' Relations With Beijing

BK2703052396 Bangkok THAILAND TIMES in English 27 Mar 96 p A4

[Editorial: "Family Matters"]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha's visit to China appears to be going quite well and according to plan. He's had meetings with Jiang Zemin and Li Peng, who've made some highly complimentary statements regarding relations between Beijing and Bangkok.

Prime Minister Li was even moved to suggest that the relationship between the two countries was more like that experienced by family members rather than nations. Reading between the lines of rhetoric, was Li referring to the sort of relationship associated with big and little brothers?

Prime Minister Banhan assured his hosts of Bangkok's one-China policy and was rewarded by becoming the first foreign leader to learn of China's new initiatives regarding Taiwan.

Everybody seems happy there's a lot of back-slapping and broad smiles. But wait, big brother wasn't so happy a while back when Thailand allowed cousin Li Teng-hui to indulge in a game of golf on the holiday island of Phuket. No Sir, in actual fact big brother was mighty annoyed.

Prime Minister Banhan shouldn't be unfairly criticized for his attitude towards Beijing and his apparent betrayal of Taipei. The prime minister is doing what all good prime ministers should do — he's taking care of business. Taipei is a major investor here in Thailand, Beijing is an important trading partner. Banhan isn't doing anything that his counterparts in Washington and other Western capitals aren't doing — they're also taking care of business.

Some Western newspapers have been highly critical of Asia's reaction to China's self confessed intimidation of Taiwan. In the final analysis, however, apart from issuing statements of condemnation and sending a couple of aircraft carriers, the West was reluctant to do anything that would seriously jeopardizes their business interests with Beijing — and Taiwan of course. Reluctant — but willing to do more than their Asian counterparts.

Thailand's indifference to the Taiwan Strait wargames is now being rewarded with glowing references to relationships between Beijing and Bangkok, and promises of better things to come.

Before everybody congratulates the government for its handling of the affair, it might be worth considering the evidence that suggests what Beijing says is not necessarily what Beijing does.

Shortly after the wargames commenced, Beijing admitted that the military exercises were aimed at sending a clear message to the Taiwanese — do not elect candidates who are inclined towards greater international recognition of Taiwan. The Chinese Government admitted they were attempted to influence the outcome of a democratic, free and fair election.

Their policy failed — in actual fact it backfired. Rather than intimidate the Taiwanese, it made them more determined to seek a future without interference from Beijing's Communist administration. On Monday, Foreign Minister Qian Qichen said China's actions towards Taiwan were not aimed at obstructing democracy on the island. For even the most casual observer of Asian affairs, Qian's assertion reflects a stunning about face.

It's worth remembering at this point that China regards Taiwan as a renegade province with no rights whatsoever. The situation in Hong Kong, meanwhile, is slightly different. Hong Kong has a constitutionally elected Legislative Council that enjoys international recognition. In recent elections, anti-Beijing democrats won 70 percent of the vote — a clear signal to China that Hong Kong wants to remain its special status after it reverted to Chinese sovereignty next year.

Unlike Taiwan, Hong Kong doesn't have the military muscle to stand up to China, therefore the bully boys in Beijing are calling the shots and things do not look promising.

It's worth comparing China's conciliatory stance regarding Taiwan and its determination to dismantle the democratic structure in Hong Kong. On the one hand Beijing is saying it doesn't want to interfere in Taiwan's democratic development, and on the other, they are determined to crush any moves towards greater democracy in Hong Kong.

Now it's worth asking why Beijing has such divergent foreign policies — or perhaps we, should say internal policies — and when this ambiguity is identified ask the most important question of all: Would you want these people in your family?

Thai Official Discusses First Quarter Rice Exports

BK2703141396 Bangkok SIAM RAT in Thai 27 Mar 96 p 8

[Unattributed report]

[FBIS Translated Text] Pracha Charutrakunchai, director general of the Foreign Trade Department, has described the rice export situation in the first quarter of 1996 as very good. He reported that Thailand exported a total of 560,000 metric tons of rice in January, 430,000 tons in February, and 500,000 tons in March. Total rice exports in April are expected to reach 400,000 tons. The domestic rice price remains stable. The price of 5 percent polished white rice is 5,000 baht per ton, about 1,200-1,500 baht higher than at this time last year.

Competition in the foreign market is dramatically higher due to various important factors. Total rice demand in the world market has fallen by 2 million tons from last year as major rice importing countries have reduced their volume of rice imports, thus reducing rice demand in their markets. In addition, Indonesia wants to sell about 240,000 tons of rice on the world market this year.

Nevertheless, Thai rice enjoys several advantages. Thailand receives praise from rice importing countries in terms of its responsibility on the handover schedules for rice products. Moreover, Thai exporters are have great business acumen. Thai rice has been consistently popular and acceptable in other countries, especially China, which used to import a very small amount of fragrant rice from Thailand but is now the biggest importer of Thai fragrant rice. Last year, China imported a total of 260,000 tons of Thai fragrant rice, exceeding the amount imported by Hong Kong, Thailand's biggest customer for fragrant rice in previous years. It is estimated that China will continue to import 300,000-400,000 tons of Thai rice each year because of the good and reliable quality of Thai fragrant rice. Additionally, as China's economy improves, its people will have greater purchasing power.

Thailand: Bank Report Details Border Trade With Laos

BK2603114196 Bangkok THE NATION in English 26 Mar 96 p B5

[Unattributed report]

[FBIS Transcribed Text] Thailand and Laos border trade covering 10 Thai provinces has exceeded Bt [baht] 10 billion, but many trade barriers still exist, according to a Thai Farmers Research Center report.

The report says border trade last year rose to Bt11.1 billion, up 10 per cent from the year 1984, when the trade volume was only Bt1 billion.

Thailand's exports to Laos surged to Bt9 billion, up 2,100 per cent compared to the export value of Bt408 million in the year 1984, and imports from Laos were Bt2.1 billion, up 215 per cent compared to the import value of Bt667 million in the last 10 years.

Major Thai exports were manufactured goods, construction products, automobiles and parts, agro-processed products, ore and fuel, electrical tools and parts, machinery and parts agricultural products, livestock and fishery products.

Lao exports were processed wood, logs, parquet, leather products, automobiles, trucks, metal and scrap metal.

The significant surge of Thai exports to Laos was caused by the increase in Lao purchasing power and the high import of construction materials as a result of the government promoting foreign investment in the country's infrastructure projects.

Meanwhile, the small amount of imports from Laos was due to the fact that Lao products are mainly agricultural, which Thailand can produce for itself.

Although it is believed that border trade this year will increase further, there are a number of trade barriers which need to be addressed, said the report.

There is still smuggling of goods across the border, and the value is thought to be at least Bt1 million [figure as published] annually, causing the governments to lose tariff tax revenue.

The Lao government's red tape for import procedures is unpredictable, which consumes time and expense.

There is lack of proper transport facilities, and the facilities that exist are monopolized by a few operators, creating high transport costs and delaying the delivery of goods.

Moreover, the two sides often cannot reach agreement on payment terms. Thais prefer to pay in cash for deals not exceeding Bt500,000. Other measures should be initiated including the extending of opening hours at the Nong Khai-Vientiane check point, which are now fixed at 8.30 am to 6 pm.

The government should invite private sector participation in trade negotiations, and establish a tax free zone along the border in order to curb smuggling, said the report.

Thailand: Cause of Unsettled Political Situation in Burma Noted

BK2503061996 Bangkok THE NATION in English 25 Mar 96 p A4

[Article by Aphichai Phanthasen, economic professor at Thammasat University: "Old Ghosts Continue To Haunt Thai-Burma Ties"]

[FBIS Transcribed Text] In a visit to Burma 16 years ago, the then Thai prime minister Gen Prem Tinsulanon said, "A prosperous and secure Burma is vital for Thailand's own stability and well-being". The relationship between Thailand and Burma has gradually improved since then, although it has occasionally been affected by border disputes.

Sometimes, problems erupt into crisis as in the case of the dispute over border Hill 491, which has yet to be resolved.

However, key border checkpoints at Tachilek-Mae Sai, Ranong- Victoria Point, and Myawaddy-Mae Sot, which had been closed since last year, were reopened shortly before Prime Minister Banhan Sinlapa-acha's visit in mid-March.

Time and again, Thai fishing boats and fishing trawlers have been confiscated by Burmese authorities and most of their crews jailed. A series of conflicts erupted as waves of illegal migrants from Burma flooded into Thailand looking for better job opportunities.

Conflicts over the lucrative timber trade as well as timber smuggling have broken out between the two countries now and then. More recently there have been incursions across the border by Rangoon-backed Buddhist Karen renegades in "hot" pursuit of Karen insurgents. These raids have caused considerable damage to life and property of Thais living along the frontier.

About the time of the prime minister's visit, a Burmese trader was robbed and killed by four Thai policemen in Ranong. Yet, during his visit to Burma on March 17, Banhan again reiterated Gen Prem's statement made 16 years ago.

This time the outcome was apparently fruitful. Rangoon agreed to release 100 Thai prisoners being held in Burmese jails to commemorate the 50th anniversary of His Majesty the King's ascension to the throne. The two prime ministers, Banhan and Gen Than Shwe agreed to encourage initiatives to enhance the expansion of transport and communications networks between the two countries, an essential development to strengthen economic relations.

They reaffirmed their determination to further strengthen all existing mechanisms to "make them more effective in enhancing cooperation and understanding." These include the Joint Boundary Committee and the Regional Border Committee. They also agreed that the Thai-Burmese Joint Boundary Committee should survey and demarcate the entire boundary "as soon as possible".

On trade issues, Rangoon agreed to remove 28 items from its prohibited commodities list, including jade, gems and jewellery, teak, cattle and buffaloes, antiques and minerals. Though Rangoon still refused to approve a proposal to allow the six Thai banks with offices in Rangoon to pursue border trade, a delegation from the Thai Banker's Association is due in Rangoon next month to try to find a compromise on the issue.

As for ASEAN, Burma is most likely to be granted observer status this summer following a request by Burmese Foreign Minister Ohn Gyaw at the annual meeting of ASEAN foreign ministers in Brunei last year. This request was reiterated by Gen Than Shwe at the fifth ASEAN summit in Bangkok in December.

All these developments were partly a result of ASEAN's policy of "constructive engagement", which was adopted by the government of Chuan Likphai. However, the more serious question to be raised is whether there will be any gainful economic relationship between Thailand and Burma in the foreseeable future.

Economic and political difficulties in the past have stemmed from insufficient trust on both sides. This problem is likely to keep recurring because of the unequal economic relationship between the two countries as well as the internal political conflicts in Burma. The fact that the present regime in Burma came to power after overthrowing the popularly-elected Aung San Suu Kyi in 1988 has generated much internal opposition to the military regime.

Rangoon's inability to control rampant corruption in the military and bureaucracy has generated many forms of illicit economic activities that work to the advantage of external business partners. Internal conflicts caused by rebellion from many groups of minorities, although gradually subsiding, are another source of border tension between Thailand and Burma.

The pursuit of "constructive engagement" by ASEAN and Thailand, in particular, has borne some fruit. At least, it has helped reduce the chance of an open conflict or civil war in Burma that could have spilt over into Thailand. But it has also prolonged the unsettled political situation in Burma, one of the causes for the uneasy relationship between Thailand and Burma.

Under such unfavourable circumstances cosmetic diplomacy between the Thai and Burmese prime ministers will not improve the situation much. Obviously it requires the Burmese to settle their internal conflicts, preferably though more peaceful means, as well as some democratic development in that country. The current trends in Burma, however, suggest that this is unlikely to in happen. The present situation will only prolong the existing unequal economic relationship between Thailand and Burma, the prospects for exploitation, and the mistrust.

As such, a long-term mutually beneficial relationship between Thailand and Burma is not yet in sight. If one is to take root it soon will require a concerted effort from Thai business circles to forsake the short term economic gains that can be had by exploiting the existing internal conflicts in Burma, for mutual gains in the long-term future. But that is not likely to happen either. In the final analysis, the recent handshaking ceremony between the Thai prime minister and his Burmese counterpart may bring about some improved goodwill between the two countries, temporarily. Unfortunately, in the long run it will not result in any major changes so long as the root causes for internal conflicts in Burma persist. For these to change the Burmese themselves will have to come up with more sensible solutions to the country's problems. Until then, the difficult relationship between the two nations is likely to persist.

Thailand: Document Explains Need for Military Satellite

BK2503121496 Bangkok MATICHON in Thai 21 Mar 96 p 2

["Document" provided to senior military officers by the Thai Supreme Command "based on a study by British Aerospace Defense and Matra Marconi Space UK"; place, date not given]

[FBIS Translated Text] National development in Indochina has caused the Indochinese countries to seek and compete for sea resources. Moreover, developing countries often have territorial disputes, and these disputes can lead to national conflict. It is certain that any future war will be waged by high-technology equipment with devastating destructive power and extreme accuracy. Therefore, efficient use of electronic communications equipment will provide many advantages over the enemy.

For Thailand, every branch of the armed forces is aware of importance of joint military operations, which require precise and unified communications. As future wars will be conducted with the push of a button, accurate identification of a unit as friend or foe is extremely important, especially in air defense missions. Although we have a joint communications system, it is limited to areas accessible by landline and cannot be used in mountains or difficult terrain.

As a result, the Supreme Command proposes the approval of the "Satellite Communications for National Security Project," with the objective of providing the Thai armed forces and government national security units with a communications system that offers effective coordination of operations in any area, sea, mountain, or jungle. Satellite communications are not limited by distance or natural obstacle. Therefore, the Supreme Command wants the system to be the main communications network for national defense.

Why Must Thailand Have Its Own Satellite?

Satellite communications can be acquired by three methods: Leasing rights from a foreign satellite, leasing rights from the Thaicom satellite, or procuring a satellite for the country.

Leasing Rights From a Foreign Satellite

At one time the Supreme Command leased transponders from the Indonesian Palapa satellite, a commercial satellite using C-band. This is an international standard system for which peripheral equipment is easy to obtain at an inexpensive price. The problem with C-band is security. Although nonsecret administrative messages can be encoded, encoding is not enough to secure national security information. Most important, the system cannot be used in moving vehicles or ships, and the satellite owner can shut off the transponder on a whim.

Leasing Rights From Thaicom Satellite]

Although the Thaicom satellite belongs to Thailand in name, it is controlled by the private sector. It uses the C and KU bands, which are international commercial standards and therefore not suitable for national security information.

Procuring a Satellite for the Country

In light of these problems, consideration must be given to a satellite that uses noncommercial frequency ranges. This means paying to send a satellite into orbit and to build the required electronic equipment. The military normally uses X-band. X-band equipment is not sold retail; a country must place an order for X- band transmitting and receiving equipment, thus enhancing the security of its use. Communications with a moving station, such as a ship, is not a problem because the reception antenna is small and inexpensive. The system also allows communications via small personal paging systems.

Certainly, national security is paramount. Comparing the pros and cons of these three alternatives shows that owning a satellite is cheaper in the long term than leasing one, and it could be used in the operational theater. The satellite could be used to support other government agencies, such as in reducing the Foreign Ministry's international phone bills or in communications between various units and their subunits in remote areas.

Footprint

In the interest of security and types of use, four types of footprints are designated:

1. Covering the whole of Thailand, using KU-band for television transmission and X-band for certain types of domestic communications.

2. Covering the ASEAN countries, using X-band.

3. Covering a designated special target area the size of Thailand to enable communications with small systems (manpack), using X-band.

4. Covering a third of the globe to facilitate communications with other countries, using X-band.

Timeframe for Carrying Out the Project

The project is expected to require national budget allocations for 10 years so that annual allocations will not be too big for the government to subsidize. As a result, in the middle of the fourth year after signing the contract, we will have an operational satellite that belongs to the country and is truly owned by the people. The remaining time will be for building additional ground equipment and needed reserve systems. If there are no budget constraints, the entire project could be completed in five years.

Benefits Generated by the Project

1. Thailand will have its own satellite that is owned by the people. The satellite will be the pride of people throughout the country.

2. The royal family will be provided with an effective security system, thus creating great confidence among the people.

3. The Army will gain a communications system and be able to issue combat commands down to the company level without interruption. This will result in budget savings in the procurement of tactical communications equipment.

4. Problems affecting communications between Navy ships and ground command units will cease. Previous obstacles to joint air- sea operations will end, enabling ships to operate further away to protect the country's sea resources.

5. For the Air Force, the national air defense system needs a satellite communications system as a means to communicate with other units. In case of battle or operations outside the country, forward air control centers and forward airfields could function well without communications problems.

6. The Supreme Command's supervision and coordination of the branches of the armed forces will be enhanced.

7. Benefits to other agencies include unlimited communications with missions abroad by the Foreign Ministry, enhanced communications by the Interior Ministry with subunits down to the village level, and unlimited communications by the National Security Council.

8. A closed circuit television system will be available for use by the Supreme Command, the armed forces, and national security agencies.

Evaluation of the Current Telecommunications Sector

1. The telecommunications business requires a small investment compared to the profits it yields. For this reason, the current operator does not want newcomers that will take away a share of its profits.

2. A large percentage of profits in the telecommunications business comes from leases to government agencies. This means secure income, and the lease prices can be increased as opportunities arise.

3. The Thai people should be proud that the Thai military will have its own satellite communications system for use in national defense and national security activities. Although certain telecommunications business operators will lose revenue, they would be selfish if they failed to heed national security and national sovereignty concerns.

Once the satellite project materializes the government will be able to reduce expenses in developing communications networks for various agencies because they will be able to share use of the project. The remaining transponders can be leased to the military establishments of friendly countries, thus earning revenue for Thailand.

The "Satellite Communications for National Security Project"

The Supreme Command proposes this project with the objective of providing the armed forces and national security agencies with effective coordination of communications in all areas regardless of terrain. It hopes the project will be the main communications network in the field of national security.

It is the duty of every citizen — not just soldiers — to safeguard the country. The Supreme Command wants to set up a communications network using satellite communications and microwave ground systems to provide users with local and international long distance telephone service.

Many government agencies have sought to use the telephone services in the military communication system, but the Signals Department has not been able to accommodate them all due to the remoteness of their offices. Only a satellite could serve this demand.

National development in Indochina has caused these countries to search for sea resources, resulting in disputes. The Navy ships whose duty is to protect our sea resources do not have communications equipment that allows them to contact headquarters rapidly enough. Aircraft on missions outside Thai airspace cannot communicate with the air operations centers. Only satellite communications can solve these problems.

For reliable communications, a large satellite called "Sky Net" — now in use by NATO — has been picked. The working life of the satellite is a minimum of 12 years. The project calls for two satellites in geostationary orbit, with one as a reserve. The signal from the satellite will be strong to ensure good reception and inexpensive ground stations.

The X-band for military use will be used for secure communications and safety from electronic warfare. There will be no problem concerning satellite orbit. To enable government television to reach every village, satellite television transmission on the KU-band will be included in the project. Such television transmission will use new video compression technology, allowing the transmission of more stations. Three transponders will be available to provide this service.

Ground Control Stations

Satellite communications will broaden the military communications system to accommodate the communications network used for national defense and by national security agencies. To ensure that we will have a system to serve the country in time of emergency, the Supreme Command will control the network and the satellite.

What Will Be Gained From the Project?

1. The government will have a satellite that belongs to Thailand and the Thai people.

2. There will be mobile vehicles for satellite communication to provide security for the royal family.

3. There will be small ground stations (VSAT [Very Small Aperture Terminal] KU-band) transmitting at 64 kbit/s [kilobytes] for use by national security agencies. They will share this capability on the military communications system.

4. There will be small ground stations (VSAT X-band) capable of transmitting at 64 kbit/s for use by national security agencies in international communication. They will share this capability on the military communications system.

5. There will be small ground stations (VSAT KU-band) capable of transmission at 54 kbit/s for administrative use by the Supreme Command, the armed forces, and the Border Patrol Police.

6. There will be small ground stations (VSAT X-band) capable of transmission at 2 mbit/s [megabytes] for the armed forces for domestic tactical use.

7. There will be small personal satellite communications equipment for tactical use in confidential missions.

8. There will be tactical satellite communications equipment for use by the armed forces in mobile situations inside or outside the country.

9. There will be tactical communications equipment that can transmit high-speed radar data for the Air Force to set up forward air control units when needed.

10. It will allow satellite television transmission in the KU- band using video compression technology.

Thailand: Ban on British Beef, Dairy Goods Detailed

BK2603054296 Bangkok BANGKOK POST in English 26 96 p 6

[Unattributed report]

[FBIS Transcribed Text] A regulation banning the import and sale of British beef and milk products will come into effect this week.

The regulation, based on the 1979 Food Act, empowers the Food and Drug Administration to impose bans on products which carry risks to consumers, such as mad cow disease.

Under the regulation, milk and all beef products, canned or otherwise packed, will be banned, said administration secretary- general Phakdi Phothisiri.

Food inspectors have also been assigned to check markets to make sure no beef products from Britain are sold here, he said.

So far, only one company has sought administration permission to sell a beef product from Britain, he said, and the answer would be no.

Creutzfeldt-Jakob disease [CJD], the human equivalent of mad cow disease, or Bovine Spongiform Encephalopathy [BSE], has never been experienced in Thailand, said Damrong Bunyun director of the Communicable Diseases Control Department.

"There has never been reports of CJD among humans and BSE among cows in Thailand," he said.

While both diseases affect the brain, there is no scientific assurance to link them, he said.

The reason for the spread of BSE among cows in Britain is possibly because they were fed offal along with grass and vegetables, he said.

Dr Damrong said although cattle here only eat vegetables, farmers should not feed them with liver or intestines which are believed to stimulate growth.

The Public Health and Agriculture and Cooperatives ministries, he said, have been in contact with their counterparts in Britain about precautions in preventing the disease.

Thailand: Banhan, Polish Counterpart Vow To Boost Economic Ties

BK2203140196 Bangkok BANGKOK POST
in English 22 Mar 96 p 3

[Unattributed Report]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha and his Polish counterpart Wlodzimierz Cimoszewicz have pledged to boost bilateral economic ties.

Economic cooperation was "most urgent" and Poland felt it was important to cut the trade deficit with Thailand, Mr Cimoszewicz said yesterday after talks with Mr Banhan.

Thai exports to Poland were worth 14.9 billion baht last year against a figure for Polish exports to Thailand of 3.4 billion baht.

"If already today three-fourths of Polish exports go to western European markets, I see no reason why our products shouldn't be competitive here in the Thai market," Mr Cimoszewicz said.

He said he and Mr Banhan discussed the possibility of Poland selling helicopters to the Thai police, of Thai coins being manufactured in Poland, and of involvement of Polish businesses in Thailand's big infrastructure projects.

He cited the south-north train link, deep sea ports, the new international airport, and the gas pipeline to Burma.

Also discussed was cooperation in the banking sector, in tourism development and in fighting narcotics.

Mr Cimoszewicz said he had asked Mr Banhan to allow Polish nationals visas on arrival rather than needing to get them before travelling.

And he invited Mr Banhan together with senior Thai government officials and businessmen, to the first "Poland-Southeast Asia Economic Forum" in Warsaw in September.

Foreign Ministry spokesman Suraphong Chaiyanam said Mr Banhan had asked his Polish counterpart to submit written proposals on the possible sale of helicopters.

He said Mr Banhan would consider Mr Cimoszewicz's request for visas on arrival for Polish visitors.

The two leaders witnessed the signing of an agreement on scientific and technical cooperation, with the two sides pledging to promote such cooperation through lectures, research and seminars.

A Thai-Polish Joint Committee is to be set up to facilitate overall cooperation between. the two countries.

Mr Suraphong said Thailand and Poland were expected to sign an agreement on suppression of drug-trafficking, on exchange of prisoners, and on reciprocal execution of court judgments in criminal cases.

A Government House statement released yesterday quoted Mr Banhan as telling Mr Cimoszewicz that his visit the first for a Polish leader since the establishment of diplomatic relations in 1972 opened a new era for political economic and cultural cooperation.

Poland is Thailand's number one trading partner in eastern Europe.

The Polish leader leaves for Malaysia today. Before coming to Thailand he was in Indonesia.

Thailand: Agreements Reached With Egypt During Minister's Visit

BK2403082296 Bangkok BANGKOK POST
in English 23 Mar 96 p 2

[Unattributed report]

[FBIS Transcribed Text] Agreements to avoid double taxation and on technical cooperation will be signed with Egypt to enhance bilateral ties, Cairo's Foreign Minister 'Amr Musa said yesterday.

The decision to conclude the agreements was reached during talks between Mr Musa and Foreign Minister M.R. [Mom Ratchawong — royal title] Kasemsamoson Kasemsi.

Mr Musa, who is on an official visit, said the agreements can strengthen ties in trade, investment and tourism.

Distance was no obstacle, what matters more is the "right climate" and a legal framework he said in a lecture on the relationship between Egypt and ASEAN after the Middle East Peace at Thammasat University.

The ministry said Mr Musa sought support for cooperation with ASEAN in tourism, maritime transport and the technical and information sectors.

M.R. Kasemsamoson pledged to extend support and asked him to approach Malaysia and other ASEAN members and its secretary general.

The ministers agreed the Thai-Egyptian Joint Commission, established in 1990 but never convened, should meet soon and involve the private sectors.

Mr Musa also sought cooperation to fight terrorism.

Egypt, he said, was working on the belief sustainable peace will be achieved in the Middle East by the end of the decade as the Arab- Israeli conflict is being settled.

Egypt is consolidating peace at home and undertaking economic reforms, he said.

"Egypt, as the largest market, embarked on aggressive economic reforms with privatisation as the central point, trade liberalization and new fiscal policy. We need to interact with similar or stronger economies," he said.

He referred to the 15-member European Union, whose leaders met their counterparts from ASEAN, China, Japan and South Korea at the Asia-Europe meeting in March, and said the same could be expected soon in the Middle East.

It was important to unite against terrorism and fundamentalism to ensure international peace and stability, he said, stressing the two were not specific to the Middle East or Islam, and citing the Aum Shinri Kyo gas attacks in Japan.

"This is an international phenomenon, its doesn't belong to one region, nor has relations with any religion. Let us get out of this, it is our firm responsibility to reject this behaviour," he said.

Egypt became the first Middle East country to establish diplomatic ties with Thailand 40 years ago. Two-way trade amounted to 2,440 million last year, with exports to Egypt accounting for 2,180 million baht.

Thailand: Royal Appointment of Senators Announced

BK2303113696 Bangkok Thai Color Television Channel 9 in Thai 0425 GMT 22 Mar 96

[Royal appointment of senators issued in Bangkok on 22 March — read by announcer]

[FBIS Translated Text] Royal signature: Phumiphon Adunyadet, Rex. His Majesty King Phumiphon Adunyadet has graciously ordered it to be proclaimed that:

With reference to the royal decree appointing senators dated 22 March 1992, the tenure of the senators appointed under the said announcement has terminated in accordance with Article 4 of the Constitution of the Kingdom of Thailand, the fifth amendment of 1995. By virtue of Article 100 of the Constitution of the Kingdom of Thailand, the fifth amendment, the king has appointed the following persons to serve as senators:

1. Konphot Atsawinwichit

2. Krongkan Wisommai
3. Krongkaeo Atsawachin
4. First Lieutenant Karun Hemwanit
5. Kirin Chatchawanwong
6. Kirana Sumasong
7. Kukiat Sunthonbura
8. Air Chief Marshal Kriangkrai Sinthawanon
9. Kasem Narongdet
10. Air Chief Marshal Kasem Thawiwat
11. Kasem Watthanachai
12. Kasem Sanitwong Na Ayutthaya
13. Kasem Sorasakkasem
14. Kasem Suwannakun
15. Admiral Kolak Charoenruk
16. Kowit Woraphiphat
17. Kowit Suratsawadi
18. Khaisi Si-arun
19. Khosit Panpiamrat
20. Admiral Chanya Sukhonthasap
21. General Charan Kunlawanit
22. Chari Tunlayanon
23. M.R. [Mom Ratchawong — royal title] Chatumongkhon Sonakun
24. Major General Charuk Ariratchakaran
25. Chamnong Thongprasoet
26. Chirayut Wasurat
27. Vice Admiral Chumphon Hongthong
28. Lieutenant General Chalongchai Yaemsasai
29. Police First Lieutenant Chatchai Bunya-anan
30. Chaloem Chiaosakun
31. Khunying Chanat Piya-ui
32. Chatchawan Aphibansi
33. General Chatchawan Payanana

34. Chaiyachet Sunthonphiphit
35. Chai-anan Samuthawanit
36. Chan Atsawachot
37. Chatchua Kannasut
38. Chatri Sophonphanit
39. Chumsai Hatsadin
40. Chuwong Chayabut
41. General Chettha Thanacharo
42. Chokchai Aksoranan
43. Narong Patibatsorakit
44. Police General Narong Mahanon
45. Narongchai Akkharaserani
46. Damrong Phuttan
47. Dilok Mahadamrongkun
48. Dusit Siriwan
49. Khunying Temsiri Bunyasing
50. Lieutenant General Thanom Watcharaphut
51. General Thawan Sawaengphan
52. Thaloeng Thamrongnawasawat
53. Song Ongchaiwatthana
54. Thongdi Nikhongram
55. Thawi Nunphakdi
56. Vice Admiral Thawisak Siprayun
57. Thaksina Sawananon
58. M.R. Thep Thewakun
59. General Thianchai Sirisamphan
60. Air Marshal Thananit Niamthan
61. Thanu Kunchon
62. Thammanun Wangli
63. Thamma Pinsukanchana
64. Air Marshal Thamrong Charoenrat
65. Admiral Thamrong Wibunsathian
66. Thatri Praphaphan
67. Thira Phanthumwanit
68. Vice Admiral Thira Haocharoen
69. Air Marshal Thisin Khamphiyanon
70. Thiraphot Charunsi
71. Noranit Setthabut
72. Khunying Nanthaka Supraphatanan
73. Nichet Sunthonphithak
74. Niphon Wisityutthasat
75. Niphon Sorakan
76. Nimuta Waba
77. Khunying Niramon Suriyasat
78. Niwat Phonchua
79. Bodi Chunnanon
80. Borom Tanthian
81. Admiral Bandit Chunhawan
82. General Bandit Malai-arisun
83. Bunchai Phongphetra
84. Bunphruk Chatamara
85. Bunyong Wongrakmit
86. Bun-at Saison
87. General Bunrit Thanthranon
88. Burapha Atthakon
89. Pakit Phatthanakun
90. Air Chief Marshal Prakop Burapharat
91. Prachuap Thong-urai
92. Admiral Prachet Siridet
93. Pracha Malinon
94. Pracha Hetrakun
95. Prachai Lieophairat
96. Air Chief Marshal Praphan Thupatemi
97. General Pramon Phalasin
98. Prayom Songthong
99. Prawit Rotchanaphiansathit
100. Prasop Rattanakon
101. Lieutenant General Prasoet Chumunwai
102. Prasoet Samalapha
103. Prinya Chindaprasoet
104. Lieutenant General Panthep Phuwanatnurak
105. Piyabut Chonwichan
106. Phachon Unlapathon
107. Phan Chantharapan
108. Phaothep Upakannitikaset
109. Police General Phot Bunyachinda
110. Phot Yutithamdamrong
111. Phanat Thailuan
112. Phonthep Phonprapha
113. Admiral Phatthanaphong Siphen
114. Phakphian Wiriyaphan
115. Phanit Charoenphao
116. Pharon Itsarasena Na Ayutthaya
117. Phichai Watsanasong
118. Phinit Arayasiri
119. Phisit Na Phatthalung
120. Phunsak Wannaphong
121. Phrao Niwatwong
122. Phrieophan Waritchanan
123. Phothiphong Lamsam
124. Phaibun Changrian
125. Phaibun Limpaphayom
126. Phaibun Watthanasiritham
127. General Phaibun Emphan
128. Phairot Ningsanon
129. Phairot Piamphongsan
130. Phaisan Kumanwisai
131. Phaisan Phutmongkhon
132. Phaisit Phiphatthanakun
133. Phumarat Thaksadiphong
134. General Mongkhon Amphonphisit
135. Manat Rungruang
136. Manat Suksaman
137. Mahidon Chantharangkun
138. Michai Wirawaithaya
139. Michai Ruchuphan
140. Yongyut Loelop
141. Police Major Yongyut Sarasombat

142.General Yutthasak Sasiprapha
143.Rangsan Saensuk
144.Rat Sikraiwin
145.Likhit Thoetsathirasak
146.Linda Bunnak
147.Police Second Lieutenant Wan Chansu
148.Wanwai Phatthanothai
149.Police General Wasit Detkunchon
150.Watthana Rattanawichit
151.General Watthana Sanphanit
152.Wanlop Tangkhananurak
153.Admiral Wichit Chamnankan
154.Wichit Na Ranong
155.Wichit Suphinit
156.Wichit Sisa-an
157.Wichan Phukphibun
158.Lieutenant General Wichai Khongsuwan
159.Wichai Thosuwanchinda
160.Wichai Phromsin
161.General Wichit Bunyawat
162.Wichian Chanthaphakun
163.Wichian Techaphaibun
164.Wichian Atwisetsiwakun
165.Vice Admiral Withun Saengsingkaeo
166.Winai Sama-un
167.Lieutenant General Winit Krachangson
168.Wibun Khemchaloem
169.Wirot Phutrakun
170.General Wirot Saengsanit
171.Wisan Phattharathammat
172.Witsanu Khrua-ngam
173.Wiraphong Ramangkun
174.Wira Pitrachat
175.Wira Limpaphan
176.Wirachai Sutsuwan
177.Air Marshal Wiraphong Singhaseni
178.Sisawang Phuawongphaet
179.Sakchai Thanabunchai
180.Siri Kewalinsarit
181.Sirichai Bunlakun
182.General Sirin Thupklam
183.Air Chief Marshal M.R. Siriphong Thongyai
184.Sa-nga Sapphasi
185.Sathaphon Kawitanon
186.Som Chatusiphithak
187.Police lieutenant General Somkhuan Harikun
188.Somchai Wutthipricha
189.Second Lieutenant Somnuk Koetket
190.Somphong Siyaphan
191.Somphon Thepsittha
192.Somphon Kiatphaibun
193.Somphop Hotrakit
194.Somlak Atsawahem
195.Khunying Somsi Kanthamala
196.Air Chief Marshal Somsak Wesuwan
197.Sommai Surakun
198.Saman Ophatwong
199.Sansoen Kraichitti
200.Sarawut Watcharaphon
201.Sawat Horungruang
202.Sakon Sakunthai
203.Saisuri Chutikun
204.Lieutenant General Somphao Chusi
205.Vice Admiral Samran Amsam-ang
206.Singto Changtrakun
207.General Sit Chirarot
208.Sippanon Ketuthat
209.Sukanya Chonlasuk
210.Sukhum Choetchun
211.Sukhon Kanchanalai
212.Suchin Chinayon
213.Suchon Chalikhrua
214.Suchat Traiprasit
215.Suthep Wongworaset
216.Sutham Chittranukhro
217.Sutham Witchutraiphop
218.Suthi Singsane
219.Sunthon Sathianthai
220.Sumon Somsan
221.Sumet Tantiwetchakun
222.Lieutenant General Surayut Chulanon
223.Vice Admiral Surawut Maharom
224.Surat Sinlapa-anan
225.Sulaiman Wongphanit
226.Suwan Panyaphat
227.Khunying Suwatthana Phetthongkham
228.Seri Suksathaphon
229.Sophon Suphaphong
230.Op Thongkhaimuk
231.Adirek Sipratthak
232.Adisai Photharamik
233.Anan Kanchanaphat
234.Anan Anantakun
235.Anusak Intharaphuwasak
236.Amon Chantharasombun
237.Air Chief Marshal Amon Naeomali
238.Oranut Osathanon
239.General Oraphan Watthanawibun
240.Aran Thammano
241.Aranya Suchanin
242.Arun Chaiseri
243.Arun Choetbunchai
244.Arun Phaosawat
245.Arun Phanuphong
246.Atthasit Wetchachiwa
247.Akkharathon Chularat
248.Khunying Amphon Misuk
249.Special Colonel Atsani Saowaphap

250.Asit Benhawan
251.Asit Phithatkhumphon
252.Lieutenant General Ayuphun Kannasut
253.Ari Wong-araya
254.Asa Meksawan
255.Amnat Son-imsat
256.Air Marshal Amphon Intharathaiwong
257.Udon Bunprakop
258.Iam Chaya-ngam
259.Osot Kosin
260.Olan Chaiprawat

The Announcement takes effect as of 22 March 1996. Announced on 22 March 1996, being the 51st year of the present reign, Countersigned: Banhan Sinlapa-acha, prime minister

Thailand: Banhan Critics Silenced by New Senate List

BK2303123296 Bangkok BANGKOK POST in English 23 Mar 96 p 1

[Unattributed report]

[FBIS Transcribed Text] The prime minister has further consolidated his base through a Senate packed with supporters of Chat Thai and its coalition partners.

The selection, the first appointed in full by an elected prime minister, was announced yesterday after being approved by His Majesty the King.

Even though Banhan Sinlapa-ach's preferences loomed large in the selection process the intake received a generally favourable response, even from key opposition figures.

The composition is more diverse in terms of representation but the return of many senators who are apathetic to or against political reform said little for the government's pledge to write a more democratic constitution.

The list comprises people from the private sector, the state, the old Senate and Mr Banhan's candidates.

Cabinet Secretary-General Wisanu Khruangam said 100 officials were appointed, among them the permanent secretaries of 14 ministries, except Industry, where Siwawong Changkhasiri withdrew his nomination because his work could get in the way.

Most public university rectors and council chairmen were also appointed along with retired police generals.

The military took 38 seats and 60 went to members of the previous Upper House, whose term expired on Wednesday.

Mr Wisanu claimed Mr Banhan had only picked 20 people, and he preferred to split the intake into two categories: the public sector with 140 active and retired officials, and the private sector with 120 from 28 professions. Private sector members came from the fields of literature, the media, human development, the environment and conservation, education, rural development, engineering, architecture, banking, medicine, labour, industry, property and exporting.

The prime minister has worked carefully with the screening committee to make sure the Senate is really diverse," he said.

Some persons the media thought should have been appointed had beep deliberately excluded, he said, because Mr Banhan wanted them to sit in a constitution-drafting committee as part of his political reform promise.

Certain highly qualified people were dropped from the list because they could not sit on the charter panel at same time, Mr Wisanu explained.

Despite the diverse aspect of the Senate, the list was somewhat marred by the strong contingent close to Chat Thai and its coalition partners.

Among them are Krongkan Wisommai, former New Aspiration MP and wife of Mr Bunchong, the PM's [prime minister] deputy secretary- general, and Niphon Wisityutthasat and Borom Tanthian, failed Chat Thai candidates.

Close relatives of cabinet ministers also featured. They are Sunthon Sathianthai, father of Finance Minister Surakiat; Kasem Narongdet, elder brother of Nam Thai MP Prasit Narongdet; Thaksina Sawananon, wife of Prachakon Thai deputy leader Decho; Wanwai Phatthanothai, elder brother of Chat Thai MP Man; and Somlak Atsawahem, a relative of Chat Thai deputy leader Watthana.

A number of advisers to Mr Banhan were also appointed, among them Kosit Panpiamrat, Chaichet Sunthonphiphit, Thamma Pinsukan, Bodi Chunnanon, Oran Chaiprawat and Suthi Singsane.

Others close to Chat Thai include former Parliament president Wan Chansu, who was tipped to become senate speaker; Phaisit Phiphatkun, parliament secretary-general; Rangsan Saensuk, the rector of Ramkhamhaeng; Yongyut Sarasombat, deputy Cabinet secretary-general during the Chat Thai-led government in 1991; Phairot Piamphongsan of Ban Chang; Suchon Chalikhrua, former Samakhi Tham director; Som Chatusiphithak, former Thai Bankers Association president once tipped to become finance minister; and Song Ongchaiwatthana, owner of Nakhon Sawan's central rice market.

Somphong Siyaphan and Somnuk Koetket, former governor of Mr Banhan's native Suphan Buri, were also appointed.

New Aspiration supporters who were also appointed include Niphon Sorakan, president of the Tambon and Village Headmen's Association, Lt-Gen Wichai Khongsuwan, and Phaisan Phutmongkhon. Mr Niphon led headmen to support Gen Chawalit Yongchaiyut in his campaign against local elections in 1994. Gen Wichai is Gen Chawalit's close aide, while Mr Phaisan, proprietor of the Thammaniti Law Office, is the defence minister's personal adviser.

Chinnawat Group chairman Phaibun Lipaphayom, a close associate of Phalang Tham leader Thaksin Chinnawat, was also appointed to the Upper House.

Remarking on the selection, Weng Tochirakan, secretary general of the Confederation for Democracy, said the list was diverse in general terms.

The proportion representing professional groups has increased in comparison with the military, which had long dominated the Senate.

"We have more government officials and representatives of non- governmental organisations. But it also contains a large number of people who are supporters of Chat Thai, which has slightly tainted what should have been a good Senate list," said Dr Weng.

Several new senators, he said, are opposed to political reform, particularly through amendment of Article 211.

"I am concerned that this may cause the reform attempt to fail and if this happens the prime minister will unavoidably have to take full responsibility," he said.

"The Senate has a very important role in Parliament. It should not be formed with the sole aim of supporting the government. It needs to help develop the country and the political system, or it will be meaningless." Dr Weng added.

Thai Editorial Commends Banhan Over Appointment of Senators

BK2503020996 Bangkok THE SUNDAY NATION in English 24 Mar 96 p A4

[Editorial: "Plaudits to Banhan for Credible Senate"]

[FBIS Transcribed Text] It can always be better but the prime minister's list of the 260 new members of the Senate was diverse and credible enough to allow optimism for the country's democratic development. The quality and wide representation of the new Senate should act as a benchmark for the MPs in the House of Representatives to strive for.

Prime Minister Banhan Sinlapa-acha deserves praise for the appointments. It is one of the few bright spots in his scandal-hit eight-month old government.

The new Senate should bode well for progress in various fields over the next four years when social and community development issues are expected to gain greater attention in line with the eighth National Economic and Social Development Plan.

The seed has also been planted for political reform that will hopefully weed out corrupt MPs. Some of the country's best thinkers on political reform issues now sit in the new Upper House. They can add legal advice and fresh perspectives when necessary. Moving with time [subhead]

The new Senate has also moved with time. The number of women has doubled while several personalities active in rural and social development form a formidable pact in the chamber. This again will complement the push for political, economic and social reforms.

Another startling aspect of the new Senate is the reduction in the number of military personnel to 39. This is in line with the broader democratic trend in the country. After all, many of the military men in the old Senate were drafted to serve in the chamber during the military coup era. They have neither the aspirations nor the will to be there. Many found their assignment in Parliament boring. The armed forces should not think that they have lost face but, rather, they should realize they do the country more service in the field than in the Upper House.

Chuan Likphai, leader of the opposition Democrat Party, welcomed the composition of the new Senate although he did note several examples of political nepotism. People's expectations [subhead]

It is hoped that the new Senate will live up to the expectations of the people; that it plays an active role in the lawmaking process. Former Senate Speaker Michai Ruchuphan is expected to be reselected although it might turn out to be a hot contest should former speaker Wan Chansu decide to stand for the post.

Michai has been working for many years on a list of urgent laws which need to be amended or passed by Parliament. It is no secret that many of the country's ills are caused by outdated laws and regulations. The frequent changes in government have not helped with the passage and improvement of laws, especially those relating to the rights and opportunities of people. It is hoped that the new Senate will help the Lower House work on these laws with vigour. After all, it is the primary function of the Senate to screen legislation passed by the Lower House.

But there are also many hidden tasks that the Senate is called on to undertake. Most, if not all, require personnel integrity and fair judgment. The Senate can visibly become another pillar in the country's political stability if it speaks with reason and acts justly. Democracy does not just come by voting but is exercised in day-to-day administration. The Senate has an important role to play in the country's future. The premier's list suggests it is off to a good start.

Thai Editorials View Government's Appointment of New Senators

BK2503103196

[FBIS Report] Four Thai-language Bangkok dailies — SIAM RAT, MATICHON, THAI RAT, NAEO NA — carry editorials on 25 March commenting on the appointment of new senators by the government of Prime Minister Banhan Sinlapa-acha.

SIAM RAT carries a 500-word editorial on page 6 entitled: "The New Senate." The editorial says: "The royal command appointing 260 senators has been announced. The new Senate comprises people from various professions. It is more diverse." According to the editorial, there have been few complaints regarding the quality of the senators. The appointments have been accepted by the public, and even the opposition admits that most of the senators are acceptable. Concluding, the editorial says Prime Minister Banhan's selection of senators was transparent. It says he selected suitable and credible senators who will help the national administration. There may be disagreements over the appointment of certain individuals, but this is normal because it is impossible to please everybody. The editorial expresses the hope that the new senators will work for the interests of the country under a democratic system.

THAI RAT carries a 450-word editorial on page 3 entitled: "The New Senate." The editorial says that several political leaders, including Democrat Party leader Chuan Likphai and former Senate President Michai Ruchuphan, have expressed satisfaction with the appointment of the senators, especially those from the private sector. There has been less criticism of Banhan's appointment of senators than his appointment of cabinet ministers.

Continuing, the editorial says: "We can see that the new 260-member Senate comprises people from various professions — military officers, civilian officials, businessmen, mass media representatives, farmers, and representatives of private organizations. Although there have been comments that some of the senators were defeated in the last general election or are powerful businessmen with ties to the coalition parties, these have been few in number. Previous Senates, usually appointed following coups, mainly comprised military officers and government officials." In conclusion, the paper says: "Because the new Senate is diverse, the Thai people hope it will help push for political reform and will regard democratic development and national security as in the interest of the entire Thai people."

NAEO NA carries a 450-word editorial on page 3 entitled: "The Prime Minister Must Provide Further Examination." The editorial says the selection of senators shows that Prime Minister Banhan intends to do things in line with proper practices because the senators come from various professions and are credible. It says there have been some comments about the appointment of a few close associates, but that is normal.

Continuing, the editorial says: "Prime Minister Banhan has scored 80 percent for the appointment of the senators, but there is another issue facing the prime minister. He must make a decision regarding a cabinet reshuffle either before or after the no-confidence debate. The cabinet reshuffle will prove whether Prime Minister Banhan is ready to be a democratic leader or a leader involved in autocracy and cronyism." The editorial concludes by saying that the pending cabinet reshuffle will prove whether the prime minister will pass or fail in public opinion. The editorial expresses the belief that the prime minister is intelligent and will not fail.

MATICHON carries a 450-word editorial on page 20 entitled: "The New 260-Member Senate Will Be Proved By Its Deeds." The editorial says there has not been much criticism of Prime Minister Banhan over the appointment of the senators, but that less criticism does not mean that the Senate really represents the public. The editorial says: "In the past, senators were used as a tool of the governments that appointed them. Those senators never acted as the people's representatives when there was a crisis or when the people faced problems. In particular, senators who were government officials kept quiet and did not carry out their duty to oversee the government. This is why the people were unhappy with the senators and called for the election of senators."

MATICHON concludes by listing two tests for the new senators — political reform and the upcoming no-confidence debate against the government. It says that if the senators perform well on these two issues, it will mark a new era for the Senate.

Thai Supreme Commander Comments on Senate Seat Allocation

BK2603080896 Bangkok THE NATION in English 26 Mar 96 p A6

[Unattributed Report]

[FBIS Transcribed Text] Supreme Commander Gen Wirot Saengsanit said yesterday that the armed force leaders left out of the new Senate had told him they were "all right" and not upset about their omission.

"I've asked them about their feelings and they told me they were not upset because they are disciplined soldiers," Wirot said.

He added, in jest, that "all (the armed forces ranking officers) were sporting 'proud' looks on their faces after the announcement".

Wirot said the military got more seats than it had expected.

"All 36 (military) nominees submitted to Prime Minister Banhan Sinlapa-acha got confirmed as senators, with a special bonus of three more service men also getting seats," he said.

Wirot said he was not aware of a recent dinner party attended by military leaders associated with the now defunct National Peacekeeping Council [NPKC].

He said that had he been invited, he would also have attended.

Commenting on the former senators whose seats in the upper chamber were on the basis of the NPKC nomination but not renewed, he said: Everyone wants to serve the country." He did not elaborate.

Regarding the new Senate, Navy chief Adm [Admiral] Prachet Siridet said yesterday: "From now on, if the Senate experiences any problems that need expert analysis and consideration, it will now have such people in the chamber."

Deputy Prime Minister Sombun Rahong has said that Banhan made "a great sacrifice" by using only Seven or eight per cent" of his quota to select new senators.

Sombun said that only seven or eight per cent of the new 260 senators were under Banhan's quota and the rest were chosen by the Senate selection committee.

"He could have used his full power but he asked for only seven per cent of it. This was a great sacrifice," Sombun said.

The deputy prime minister said that this was the best Senate ever selected.

The opposition said on Saturday that the new Senate was satisfactory and they would not attack the government over the issue during the no-confidence debate next month.

Thai Defense Ministry Details Need for Military Satellite

BK2203150396 Bangkok THE NATION in English 22 Mar 96 p A5

["Excerpt" from proposal submitted by Defence Ministry to Cabinet secretary-general seeking approval in principle to proceed with military satellite project]

[FBIS Transcribed Text] Several Asean countries have begun to introduce satellite technology for communications and military intelligence. The Defence Ministry is of the opinion that military satellites can aid national security in terms of efficient communications, systems of command and news and intelligence gathering, especially in monitoring border situations.

Several major powers already use satellites for direct and indirect military reasons, including the United States, Britain, France, Russia, Japan, China and Israel. The Gulf War demonstrated both the offensive and defensive use of such satellites.

Thailand currently deploys satellites for only commercial use. The country has the potential to use satellite technology for its own military purposes.

Satellite pictures taken by commercial satellites (two Thaicoms) and received with 10-metre-per-one resolution are viable in several areas, including monitoring deforestation and the survey and protection of natural resources. But the military use of this satellite information is limited because the pictures cannot provide greater detail or show the movement of camouflaged troops. The military needs a resolution of one-metre-to-one.

The military satellite needs to be designed with security in mind when compared to commercial satellites. It must be able to resist communication interference from unfriendly forces and operate using code. There are few orbit slots for new satellites available, and many countries in the region are going after them. Now is a good opportunity for the Thai government, through the Defence Ministry, to launch another satellite.

Furthermore, the agreement under the International Telecommunications Union (ITU) says that commercial satellites cannot be used for military purposes directly. The proposed satellite of the Defence Ministry can be designed for both military and civil use, similar to the French system.

The Supreme Command's current satellite use consists of leasing half a transponder of a Thaicom satellite. Another half transponder is provided free of charge from the Post and Telegraph Department. Army TV Channels 5 and 7 also deploy one transponder each and a quarter transponder through the Ku-band (the lease of the C-band is [Thai baht] Bt34 million and Bt136 million for Ku-band annually). Despite increasing the personnel capability of satellite technology, the existing communication system, especially for remote areas, is not efficient and would be too costly if invested with conventional telecommunications modes. The microwave system has low transmission capability at certain times and is not suitable for use by the military. The existing use through commercial satellites is not suitable when considering the strategic command. By having its own satellite, the Defence Ministry will be able to cover all operational areas, internally and externally. It will also be able to receive pictures almost immediately.

The Defence Ministry wants to develop its communications and intelligence capability, especially in command and supervision, the so called C3I (Command Control Communications and Intelligence). The needs are beyond what commercial satellites can offer, while there are also limitations in usage through the international agreement under the ITU.

Communications lies at the heart of a military command. The most needy investment would be in communications through cables or optic fibre, but the cost is too high. The cost of satellite technology is less and can be implemented faster. By having its own satellite, the military would benefit through its communications systems, as well as the radio and TV stations belonging to the Defence Ministry.

As for field surveillance, the present system the Thai armed forces use is far from efficient, both strategically and tactically. Past experiences have revealed several disadvantages with the present system. What the armed forces need is real-time information concerning a theatre of war or field of operations. Satellite technology will increase the Defence Ministry's ability to better defend the country and will compensate for the reduction in size of the armed forces in line with government policy. There would be no need to send as many troops to the border as is the case now.

The Defence Ministry wants to operate one satellite, with a second acting as back-up, within the next three to five years. It wants to set up both permanent satellite receiving stations and mobile stations. The ground stations will receive satellite pictures with high resolution capability for intelligence gathering, for military mapping, for geographical analysis, troop movements, border patrolling and other developments and military activities.

The geostationary satellite system will have a working life of 10 to 15 years. Each satellite will have a minimum of 24 transponders. Their use will be remote controlled sensing and image processing for field surveillance and border protection. The satellite will have a low orbit with one-metre-per-one resolution with real time transmission capability.

The Defence Ministry wishes to contract known companies that can produce the satellites, construct the ground stations and acquire the communications equipment needed. Consultants will be hired to supervise each activity.

The terms of reference will have to be drawn up and orbit slots sought from the International Telecommunications Union. This will take a year and a half to complete. The satellites ought to go into orbit within two to three years after the agreement signing, followed by six months of testing.

The budget is Bt15 billion to Bt20 billion. The budget will be worked out so that it does not have any impact on the annual development of the armed forces. The project should be implemented as quickly as possible.

Thai Defense Ministry Satellite Unlikely To Go Before Cabinet

BK2303122496 Bangkok BANGKOK POST in English 23 Mar 96 p 1

[Unattributed report]

[FBIS Transcribed Text] The Defence Ministry's satellite project is not likely to go before the Cabinet soon as two of the three government agencies assigned to screen it have yet to finish their work.

Cabinet secretary general Wisanu Khruangam said yesterday the National Economic and Social Development Board had already submitted its recommendations on the project to the Cabinet Secretariat, but declined to give details.

Mr Wisanu said his office was now waiting for comments from the Budget Bureau and the Transport and Communications Ministry which would be compiled into a report and submitted to the Cabinet.

If the three agencies were unanimous in their conclusions on the project, the issue would be tabled before the Cabinet for "acknowledgment". If their conclusions were different, the matter would be subject to "consideration" by the Cabinet, Mr Wisanu said.

The three agencies were given one month to screen the project and the deadline is drawing near.

Mr Wisanu said he would ask the Budget Bureau and Transport and Communications Ministry to submit their recommendations on time.

However he said the issue was unlikely to be brought before the Cabinet this Tuesday.

Mr Wisanu also said it was now too early to fix the cost of the military satellite system at 28 billion baht since the actual price would depend on what method was used to procure it.

The Defence Ministry, he said, had not yet decided on the procurement method.

Opponents of the project, including Deputy Prime Minister Thaksin Shinawatra claimed the 28 billion baht price tag was too much.

Mr Wisanu said the military satellite project was actually still in its early stage and that the Defence Ministry was now supplying the Cabinet with information on it.

He said the Defence Ministry also wanted the Cabinet to acknowledge the project first so it could reserve an orbit for the satellite. The reservation must be done on behalf of the Government.

Mr Wisanu, however, said the Cabinet Secretariat considered that the military satellite project was an issue of "ordinary" importance, adding it would not be given priority over other pressing matters on the cabinet meeting agenda.

He said no ministers had ordered him to either rush to submit the project to the Cabinet or to freeze it.

Mr Wisanu said he had already explained the present status of the issue to Defence Minister Chawalit Yongchaiyut and the minister understood.

To put the project on the cabinet meeting agenda, Gen Chawalit's signature was needed, Mr Wisanu said.

However, if a project was likely to have a political impact, was in the public interest or was controversial, the cabinet secretary- general can decide to pass reports on such things to the prime minister.

Mr Wisanu declined to comment on reports that it was the government's policy to support the military in acquiring its own satellite.

"That is a political problem. I can't say anything."

He also refused to say whether the government would commit itself to implement the military satellite project if that became the policy of the Transport and Communications Ministry.

A Defence Ministry source meanwhile, said Gen Chawalit told military leaders at a Defence Council meeting yesterday that he was confident the project would be approved by the Cabinet because of its many benefits.

Implementation of the project can start immediately once the Cabinet gives its approval .

The source said Gen Chawalit told the meeting it would be possible to use the military satellite for commercial purposes, but any revenue would go to the Finance Ministry.

According to the source, Gen Chawalit said using the satellite for commercial purposes would be a point worth considering when the Cabinet is deciding whether to approve the project or not.

He quoted Gen Chawalit as promising to take full responsibility in securing funds for the project if it receives cabinet approval.

Gen Chawalit, according to the source, said differences of opinion between the political and military sides over the issue had already been ironed out and there would be no more problems.

The military and Mr Thaksin had earlier engaged in a war of words after the deputy prime minister questioned the value of the project. Mr Thaksin also claimed the military satellite may not be necessary as Thailand already has two ThaiCom satellites, launched by his Chinawat Group, in orbit.

According to the source, Gen Chawalit said he has already talked with Mr Thaksin about the satellite project and cleared the misunderstanding between them.

The source said none of the officers offered comments about the dispute surrounding the military satellite project at the meeting.

The Defence Ministry can use the satellite for commercial purposes, but only after thee protection period for the Thaicom satellites has expired, Deputy Transport and Communications Minister Sombat Uthaisang said yesterday. Thailand has two Thaicom satellites operated by the Shinawatra Satellite Co under a 30-year concession awarded by the Transport and Communications Ministry.

The contract prohibits other Thai satellites from competing with the Thaicom satellites. It also bans Thai state agencies and private firms from using the services of other satellites for the first eight years of the concession.

The protection period is not due to expire for another three years, Mr Sombat said. Though the Transport and

Communications Ministry has agreed to the military satellite project, Mr Sombat said, other countries dedicated their satellites to either military or commercial uses, not both.

Thai Foreign Minister Vows To Quit After House Debate

BK2603074896 Bangkok THE NATION in English 26 Mar 96 p A8

[Unattributed Report]

[FBIS Transcribed Text] Foreign Minister Kasemsamosn Kasemsi, once again vowed to quit his post after the no-confidence debate, in which he could be among the Cabinet members to be grilled by the opposition.

He had earlier retracted his threat to resign after the recent Asia-Europe meeting, saying the prime minister wanted him to stay on.

"I have made up my mind. I will resign as foreign minister after the no-confidence debate," Kasemsamoson said.

He once again cited pressure within the Nam Thai Party, where disgruntled MPs have been attacking his performance.

Thailand: Progress of Submarine Acquisition Plan Reported

BK2503162496 Bangkok MATICHON in Thai 25 Mar 96 p 12

[FBIS Translated Text] As chairman of the committee studying the feasibility of the acquisition of submarines, Admiral Winai Intharasombat, Navy chief of staff, has said that the committee has already forwarded its report to the Navy commander. The report divides submarine building countries into two groups. The grade A group consists of Sweden, Germany, Spain, and Italy, while the grade B group includes the Netherlands and France. The Navy considers submarines produced by the grade A group to be closest to what it wants.

Winai said the Navy also forwarded its acquisition project to the Budget Bureau to consider committing funds during the 1997-2001 fiscal years but has received no response thus far. The Navy anticipates no budgetary problem because the budget commitment does not exceed the five-year limit.

Winai said: "The Navy feels it has enough money to procure the submarines from its own budget. Therefore, the government should approve the purchase. If the Cabinet grants its approval soon, the project will be considered by the House commission that is scrutinizing the 1997 budget. If the Cabinet does not give its approval by June, it will mean that the project is in trouble. If approval is given in October, the prospective suppliers will be asked to make another price proposal to prepare for bidding."

Winai said the Navy has already sent inquiries to Norway, Sweden, Germany, the UK, France, Spain, Italy, Australia, South Korea, and the United States for the two mine sweepers it plans to buy. The sum of 3 billion baht from the 1996-2000 budgets has been set for the mine sweepers.

Cracking a joke, Navy Commander Admiral Prachet Siridet said recently that "the submarines may have failed to come to the surface altogether."

Meanwhile, a report from the Navy noted that the 22 March meeting of the Defense Council heard a report on the visit to Singapore by the defense minister and Armed Forces commanders. The report said General Chawalit and Singapore Prime Minister Goh Chok Tong discussed submarine acquisition. Chawalit asked why Singapore is interested in Swedish submarines. The Singapore prime minister replied that he liked the Swedish training system and that Sweden offered to sell hardware and software systems at very cheap prices. Singapore could buy the submarine shells from Germany.

Goh told Chawalit that Singapore contemplated buying submarines because Malaysia announced it would buy some. Chawalit informed Goh that Thailand would not acquire submarines if other countries in the region could agree that they would not acquire any or engage in the buildup of highly destructive weapons. Chawalit said he would discuss the matter with Malaysia. If Malaysia does not acquire submarines, other countries should delay their submarine acquisition plans.

Thailand: Plans to Purchase Armored Vehicles, Submarines Noted

BK2603103996 Bangkok MATICHON in Thai 26 Mar 96 p 12

[FBIS Translated Text] Supreme Commander General Wirot Saengsanit spoke with newsmen on 25 March about a reported conversation Defense Minister General Chawalit Yongchaiyut had with Singapore Prime Minister Goh Chok Tong concerning Thailand not acquiring submarines. Wirot said he wondered where reporters got their information from, adding that Chawalit had not discussed the issue of submarines with the Singapore prime minister. He said: "There is no change in the submarine acquisition plan. The plan will proceed if the cabinet gives its approval. The military has not pressured the government on the plan; it has merely asked for approval to procure the submarines in the 1997 budget." Commenting on a reporter's remark that Gen. Chawalit appears to be more interested in campaigning for the military satellite project, Gen. Wirot said the submarine and military satellite plans are two different things and therefore one should not try to pit one plan against another.

Gen. Wirot noted a report that said arms merchants have been lobbying hard regarding the Supreme Command's plan to acquire 200 armored vehicles for the Army. He said a committee had been formed to study possible acquisition of these, comprising Military Chief of Staff Gen. Mongkhon Amphonphisit as chief and Gen. Oraphan Watthanawibun, Gen. Wunthon Chaimuanwong, Vice Admiral Sombun Pancha, Lieutenant General Chokchai Hongthong, and Lt. Gen. Phatthana Phuthananon as members.

Wirot said: "The acquisition plan will use the Army's budget, because the Supreme Command's budget is not enough to cover the cost, which is some 5 billion baht. Asked why the Army did not form its own acquisition committee, Wirot said: "I do not have to explain that to reporters because I feel that I have done the right thing. Four meetings have already been held on this project. Companies from five potential supplying countries now remain after the initial screening of companies from 22 countries. The remaining countries are: the United States, Germany, France, Canada, and Switzerland. The military does not buy equipment blindly. Buyers have to be responsible for what they buy. You must trust them. Don't you trust soldiers like Gen. Oraphan and Chokchai?"

Gen. Wirot acknowledged that arms merchants were lobbying for their products. The acquisition committee had therefore tried to avoid any problems by asking military attaches of the producing countries to supply detailed specifications.

According to a report, the Supreme Command has proposed that the Army use 5 billion baht from the national defense budget during the years 1996-2000 to buy 200 armored vehicles and that the Army commit its own budget for the same amount during the 1997-2001 fiscal years for another 200 vehicles. The Army said the vehicles will be used by the 2d and 6th infantry divisions.

Meanwhile, Gen. Chawalit denied that he had discussed the purchase of submarines with the Singapore prime minister. He said such an issue was an internal affair and would not be discussed with another country. He said there was no change in the submarine acquisition plan. There were steps involved in such a plan, but he did not know if the steps would be completed by 1997.

Thailand: Implications of Military Early Retirement Policy Viewed

BK2703110496 Bangkok ATHIT in Thai 22-28 Mar 96 pp 12-16

[Unattributed commentary: "April Military Reshuffle Marks Beginning of Power Game"]

[FBIS Translated Excerpt] [Passage omitted] The story about reducing the number of military personnel through early retirement did not receive much attention at first, but that has certainly not been the case since the defense minister publicly announced his policy. General Chawalit Yongchaiyut's policy on using early retirement to reduce the number of personnel is sound in principle. Under the policy, the armed forces will seek a higher rank for major generals, lieutenant generals, and generals between the ages of 58 and 59 if they decide to retire now. Generals who feel they have little chance for advancement if they remain until mandatory retirement are obviously excited by the policy. The process is rather simple. They must submit their intention to retire in writing by 1 July 1996. By October, they will be awarded the promised higher rank upon their retirement.

What surprises most observers is the timing of the policy, during the auspicious 50th anniversary of the king's reign, and its second clause. The second clause clearly states that the policy will only be valid in 1996. Under this clause, to receive a higher rank upon retirement, generals who are due to retire on 30 September 1996 can state their intention to retire immediately and end their service on 1 April 1996. In short, a general who faces mandatory retirement in five months can retire now and receive a higher rank in return.

There are hundreds of general officers in the armed forces and the Supreme Command. Their early retirement on 1 April will mean that many slots will open, paving the way for new promotions. The newly promoted officers will receive their new ranks and minor positions in April, so in October they could be appointed to important positions. A lieutenant general, for example, could be appointed from the position of officer attached to the Army to deputy chief of staff or even commander of an Army region. This implication has drawn the attention of many observers. It appears that the military reshuffle in October will be interesting indeed. [passage omitted]

Thai Editorial Criticizes Slow Progress of Money Laundering Bill

BK2703150096 Bangkok MATICHON in Thai 27 Mar 96 p 20

[Editorial: "Money Laundering Law — Wait Until the Next Life"]

[FBIS Translated Text] The recent cabinet reshuffle was very odd. Former Agriculture Minister Montri Phongphanit was shifted to the post of deputy prime minister and Suwit Khunkitti, former deputy agriculture and cooperatives minister, was unexpectedly moved to the post of agriculture minister. At the same time, Dr. Prasong Bunphong was switched from the post of minister attached to the Prime Minister's Office in charge of overseeing the work of the Office of Narcotics Control Board [ONCB] to the post of deputy minister of labor and social welfare. Chatchai Iasakun, former deputy minister of labor and social welfare, was appointed to replace Prasong.

Over a month after the cabinet reshuffle, there has been no news for the public about progress in the work of narcotics prevention and suppression under the supervision of the new minister Chatchai — either regarding what was left by the previous minister or new initiatives to improve the efficiency of narcotics prevention and suppression. Unbelievably, Chatchai has not yet set a date to meet with the ONCB executives and discuss the work of the board.

One important issue is the draft money laundering bill that has been on the waiting list for Cabinet consideration since Prasong was minister attached to the Prime Minister's Office. After the change in ministers, the draft bill was returned from the Cabinet Secretariat to the ONCB for reconsideration. If the ONCB deems it suitable for resubmission to the Cabinet, it will have to follow all the procedures. This means it will have to start all over.

It is true that following official procedures is unavoidable, but such procedures and steps must not cause unnecessary delays in the work. Regarding the draft anti-money laundering bill, both the ONCB and the public want the government and the parliament to push for the enactment and enforcement of the law as quickly as possible so it can be used as a tool to counter narcotics traders effectively.

In view of this problem, Chatchai, the new minister attached to the Prime Minister's Office, should work to ensure the ONCB and the public that he is not neglecting his assigned duties and responsibilities in narcotics prevention and suppression, but rather is actively inspecting and following up on the obstacles to the work and finding ways to overcome them. If Chatchai is unable to handle this major task, he should not be given this responsibility; Prasong should be returned to his post. If we let things go on, the enactment of the anti-money laundering bill can only be expected in the next life.

New Zealand

New Zealand: Farm Leader Urges Banning British Beef Embryos

BK2303150596 Christchurch THE PRESS in English 22 Mar 96

[Unattributed Report — received via Internet]

[FBIS Transcribed Text] A farming leader yesterday called for the reimposition of a ban on imports of British beef embryos and semen because of a probable link between mad cow disease and Creutzfeldt Jakob disease [CJD], a rare brain disease that affects humans.

Federated Farmers' meat and wool section senior vice-president, Edward Orr, said a committee of scientists and doctors in Britain had concluded that 10 people who died from CJD probably caught it from beef that was infected before the British Government introduced safety measures on the handling of meat in 1989.

"I believe the time has arrived for us to apply the ban again on the importation of beef embryos and semen into New Zealand," Mr Orr, an Amberley farmer, said.

France yesterday suspended imports of British beef "until further notice", the Agriculture Ministry said. Agriculture Minister Philippe Vasseur wants an urgent meeting of the European Commission's scientific veterinary committee.

The British Government faced severe criticism for the way it has handled the issue after it admitted medical evidence had established possible links between the disease and 10 human deaths from CJD.

Leading microbiologist Professor Richard Lacey, who has warned of the danger to humans of mad cow disease for the past six years, accused the government of putting the financial interests of farmers ahead of public health. "The government has been deliberately risking the health of the population for a decade. The reason it didn't take action was that it would be expensive and damaging politically, particularly to the farming community who are their supporters," he said.

For the past 10 years, the British Government has refused to accept the possibility that mad cow disease (BSE, or bovine spongiform encephalopathy) can jump species and trigger CJD, which mainly affects the elderly, in humans.

The chief veterinary officer of the Ministry of Agriculture, Dr Barry O'Neil, has met the Minister of Agriculture, Lockwood Smith, to "bring the minister up to speed on the issue".

Dr O'Neil said he had told Dr Smith that New Zealand had sufficient "safeguards on imports in place to prevent the introduction of the disease to this country". Dr Smith agreed, and saw no reason for any meetings about the latest British announcement.

Earlier, the British Health Secretary, Stephen Dorrell, said in a statement to Parliament: "There remains no scientific proof that BSE can be transmitted to man by beef, but the committee has concluded that the most likely explanation at present is that these cases are linked to exposure to BSE."

New Zealand: Malaysia's Mahathir on Immigration Policy, Taiwan

BK2603100396 Kuala Lumpur Voice of Malaysia in English 0800 GMT 26 Mar 96

[FBIS Transcribed Excerpt] Prime Minister Datuk Sri Dr. Mahathir Mohamed says it is up to New Zealand to decide on its immigration policy, but it is still wrong for the country to reject Asian immigrants and at the same time say it wants to be close to Asia.

He said this in response to questions at a press conference in Wellington on New Zealand's efforts for greater engagement into Asia and the opposition from certain quarters to increased Asian immigration. The press conference was jointly held by Dr. Mahathir and his New Zealand counterpart, Jim Bolger, after the two leaders witnessed the signing of four bilateral agreements at Parliament House.

Dr. Mahathir said he did not think New Zealanders as a whole would want to reject Asian immigrants merely because they are Asians. [passage omitted covered by referent item]

On China, Dr. Mahathir said he did not think that China's attitude toward Taiwan would be similar to its attitude when it comes to the question of the Spratly Islands claims or any other claims in East Asia. However, it was entirely between China and Taiwan. He did not think that (?we should think) that China is an aggressive nation and it solves all problems through military means.

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